

**SDS GROUP BERHAD**

**COMPANY NO. 201701026951 (1241117-T)**

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SECOND QUARTER ENDED**

**30 SEPTEMBER 2022**

**SDS GROUP BERHAD**

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000
Revenue	9	74,072	43,553	134,950	83,313
Cost of sales		(48,200)	(31,241)	(90,514)	(60,034)
Gross profit		25,872	12,312	44,436	23,279
Other income		198	122	524	235
Administrative expenses		(3,644)	(3,219)	(6,981)	(6,255)
Selling and distribution expenses		(10,484)	(8,002)	(19,725)	(15,941)
Other operating expenses		(107)	(156)	(177)	(219)
Finance costs		(242)	(366)	(499)	(793)
<b>Profit before tax</b>	26	11,593	691	17,578	306
Income tax expense	19	(2,822)	(57)	(4,203)	(201)
<b>Profit after tax</b>		8,771	634	13,375	105
<b>Other comprehensive income/ (expenses)</b>					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		66	(13)	89	(3)
<b>Total comprehensive income for the period</b>		8,837	621	13,464	102
<b>Profit/ (Loss) after tax attributable to:-</b>					
Owners of the Company		8,657	631	13,179	135
Non-controlling interests		114	3	196	(30)
		8,771	634	13,375	105
<b>Total comprehensive income/ (expenses) attributable to:-</b>					
Owners of the Company		8,723	618	13,268	132
Non-controlling interests		114	3	196	(30)
		8,837	621	13,464	102
<b>Earnings per share attributable to owners of the Company (Sen):</b>					
- Basic/ Diluted	25	2.12	0.16	3.24	0.03

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

**SDS GROUP BERHAD**

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022**

	Unaudited As at 30 September 2022	Audited As at 31 March 2022
Note	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	88,812	85,501
Right-of-use assets	13,050	14,634
Goodwill	162	162
Deferred tax assets	410	873
	102,434	101,170
<b>CURRENT ASSETS</b>		
Inventories	7,597	6,642
Trade receivables	12,248	9,459
Other receivables, deposits and prepayments	6,114	4,983
Current tax assets	306	718
Short-term investment	8,044	-
Cash and bank balances	19,053	20,118
	53,362	41,920
<b>TOTAL ASSETS</b>	155,796	143,090
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	54,413	53,111
Reserves	39,655	28,416
Equity attributable to owners of the Company	94,068	81,527
Non-controlling interests	540	344
<b>TOTAL EQUITY</b>	94,608	81,871
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	22 7,600	7,764
Term loans	22 6,927	12,813
Deferred tax liabilities	4,100	3,772
Contract liabilities	212	205
	18,839	24,554

**SDS GROUP BERHAD**

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022 (CONT'D)**

	Note	Unaudited As at 30 September 2022 RM'000	Audited As at 31 March 2022 RM'000
<b>CURRENT LIABILITIES</b>			
Trade payables		24,990	20,538
Other payables and accruals		8,737	7,559
Lease liabilities	22	4,853	5,557
Term loans	22	1,313	2,545
Contract liabilities		446	398
Current tax liabilities		2,010	68
		<u>42,349</u>	<u>36,665</u>
<b>TOTAL LIABILITIES</b>		<u>61,188</u>	<u>61,219</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>155,796</u>	<u>143,090</u>
<b>Net assets per ordinary share attributable to owners of the Company (RM) <sup>(1)</sup></b>		<u>0.23</u>	<u>0.20</u>

**Note:**

- (1) Net assets per ordinary shares as at 30 September 2022 and 31 March 2022 are calculated based on ordinary shares in issuance in the Company of 409,630,765 and 405,823,900 shares respectively.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

**SDS GROUP BERHAD**  
**Company No: 201701026951 (1241117-T)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

	<u>&lt;----- Non-distributable -----&gt;</u>			<u>Distributable</u>			
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 1 April 2022</b>	53,111	(27,760)	516	55,660	81,527	344	81,871
Profit after tax for the financial period	-	-	-	13,179	13,179	196	13,375
Other comprehensive income for the financial period:							
- Foreign currency translation differences	-	-	89	-	89	-	89
Total comprehensive income for the financial period	-	-	89	13,179	13,268	196	13,464
Contribution by and distribution to owners of the Company:							
- Issuance of shares pursuant to Special Issue	1,447	-	-	-	1,447	-	1,447
- Dividend paid	-	-	-	(2,029)	(2,029)	-	(2,029)
Total transactions with owners	1,447	-	-	(2,029)	(582)	-	(582)
Share issuance expenses	(145)	-	-	-	(145)	-	(145)
<b>Balance at 30 September 2022 (Unaudited)</b>	54,413	(27,760)	605	66,810	94,068	540	94,608

**SDS GROUP BERHAD**

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)**

	<---- Non-distributable ---->			Distributable			Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	
<b>Balance at 1 April 2021</b>	53,111	(27,760)	504	46,057	71,912	359	72,271
Profit/ (Loss) after tax for the financial period	-	-	-	135	135	(30)	105
Other comprehensive expenses for the financial period:							
- Foreign currency translation differences	-	-	(3)	-	(3)	-	(3)
Total comprehensive (expenses)/ income for the financial period	-	-	(3)	135	132	(30)	102
Distribution to owners of the Company:							
- Dividend paid	-	-	-	(1,015)	(1,015)	-	(1,015)
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>53,111</b>	<b>(27,760)</b>	<b>501</b>	<b>45,177</b>	<b>71,029</b>	<b>329</b>	<b>71,358</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

	<b>6 months ended Unaudited 30 September 2022 RM'000</b>	<b>6 months ended Unaudited 30 September 2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	17,578	306
Adjustments for:		
Bad debts written off	-	50
Depreciation of property, plant and equipment	4,579	3,962
Depreciation of right-of-use assets	2,799	3,561
Interest expenses	498	793
Property, plant and equipment written off	-	80
Unrealised loss/ (gain) on foreign exchange	34	(8)
(Gain)/ Loss on disposal of property, plant and equipment	(25)	15
Gain on lease termination	(161)	(14)
Interest income	(136)	(92)
<b>Operating profit before working capital changes</b>	<b>25,166</b>	<b>8,653</b>
Increase in inventories	(955)	(587)
Increase in trade and other receivables	(2,849)	(215)
Increase in trade and other payables	5,404	2,089
Increase in contract liabilities	55	17
<b>Cash from operations</b>	<b>26,821</b>	<b>9,957</b>
Income tax paid	(1,061)	(634)
<b>Net cash from operating activities</b>	<b>25,760</b>	<b>9,323</b>
<b>Cash flows for investing activities</b>		
Deposit paid for future purchase of property, plant and equipment	(1,266)	(576)
Interest received	136	92
Proceeds from disposal of property, plant and equipment:		
- current financial period	39	90
- previous financial period	-	(11)
Purchase of property, plant and equipment:		
- current financial period	(5,678)	(3,218)
- previous financial period	(639)	(165)
<b>Net cash for investing activities</b>	<b>(7,408)</b>	<b>(3,788)</b>

**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)**

	<b>6 months ended Unaudited 30 September 2022 RM'000</b>	<b>6 months ended Unaudited 30 September 2021 RM'000</b>
<b>Cash flows for financing activities</b>		
Dividend paid	(2,029)	(1,015)
Drawdown of term loans	1,300	-
Interest paid	(498)	(793)
Payment of listing expenses	(145)	-
Proceeds from issuance of shares	1,447	-
Repayment of lease liabilities	(3,086)	(4,408)
Repayment of term loans	(8,419)	(2,238)
<b>Net cash for financing activities</b>	<b>(11,430)</b>	<b>(8,454)</b>
Net increase/ (decrease) in cash and bank balances	6,922	(2,919)
Cash and bank balances at beginning of the financial period	20,118	17,185
Effect of foreign exchange translation	57	5
Cash and bank balances at end of the financial period	<u>27,097</u>	<u>14,271</u>
<b>Cash and cash equivalents comprise the followings:</b>		
Short-term investment	8,044	3,020
Cash and bank balances	19,053	11,251
	<u>27,097</u>	<u>14,271</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.



**SDS GROUP BERHAD**

**Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022**

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**Part A: Explanatory Notes Pursuant to MFRS 13**

**1. Basis of Preparation**

The condensed consolidated interim financial statements (“Condensed Report”) of SDS Group Berhad (“SDS” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying notes attached to this Condensed Report.

**2. Significant Accounting Policies**

The accounting policies adopted in the preparation of this Condensed Report are consistent with those adopted in the preparation of the Group’s audited financial statement for the financial year ended 31 March 2022, except for the following:

1) New applicable accounting standards adopted during the financial period

<b>MFRS (including the consequential amendments)</b>	<b>Effective date</b>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

2) New applicable accounting standards issued but not yet effective

At the date of authorisation for issue of this Condensed Report, the new accounting standards, which were in issue but not yet effective and have not been early adopted by the Group are as follow:-

<b>MFRS (including the consequential amendments)</b>	<b>Effective date</b>
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

**SDS GROUP BERHAD**

**Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)**

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**Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)**

**3. Auditors' Report on Preceding Annual Audited Financial Statements**

The audited financial statements of the Group for the financial year ended 31 March 2022 was not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group generally experience higher sales during festive seasons and special occasions such as Chinese New Year, Mid-Autumn Festival, Mother's Day and Father's Day. The Group is also affected by the Muslim fasting month, where the sales of bakery, confectionery and other food and beverage ("F&B") products are typically lower than those registered outside the fasting month.

**5. Material Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group during the current financial quarter under review and financial period-to-date.

**6. Material Changes in Estimates**

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review and financial period-to-date.

**7. Debt and Equity Securities**

Save as disclosed in Note 20, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial period-to-date.

**8. Dividend Paid**

A second interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,029,120 in respect of financial year ended 31 March 2022, was declared and paid on 27 May 2022 and 30 June 2022 respectively.

**SDS GROUP BERHAD**

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(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)****9. Segment Information**

The Group's segment information for the current financial period ended 30 September 2022 is as follows:

Analysis of revenue by business segments

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000
Retail segment	27,853	12,879	51,106	25,425
Wholesale segment	46,219	30,674	83,844	57,888
	74,072	43,553	134,950	83,313

**10. Significant Related Party Transactions**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000
Rental of premises received /receivable	1	1	3	3
Repayment of lease liabilities	125	125	250	250

**11. Capital Commitments**

	Unaudited 30 September 2022 RM'000	Audited 31 March 2022 RM'000
Purchase of property, plant and equipment	2,991	1,151

**SDS GROUP BERHAD**

**Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)**

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**Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)**

**12. Contingent Assets and Liabilities**

There are no material contingent liabilities and contingent assets to be disclosed at the end of the financial period.

**13. Changes in Composition of the Group**

There were no changes in the composition of the Group during the current financial quarter.

**14. Significant Events after the Reporting Period**

There were no significant events subsequent to the end of the current financial quarter under review that have not been reflected in this Condensed Report.

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**SDS GROUP BERHAD**

**Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)**

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**Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review of Performance**

The Group recorded revenue and profit before tax of RM74.07 million (2022: RM43.55 million) and RM11.59 million (2022: RM0.69 million) respectively for the current financial quarter ended 30 September 2022. For the cumulative financial quarter ended 30 September 2022, the Group recorded revenue and profit before tax of RM134.95 million (2022: RM83.31 million) and RM17.58 million (2022: RM0.31 million) respectively.

The Group's revenue was principally derived from the wholesale segment accounting for approximately 62.40% and 62.13% of the total revenue for current and cumulative financial quarter ended 30 September 2022 respectively.

**16. Comparison with Immediate Preceding Quarter's Results**

The Group's revenue for the current financial quarter ended 30 September 2022 increased by RM13.19 million (or 21.67%) from RM60.88 million to RM74.07 million as compared with the immediate preceding financial quarter.

Profit before tax for the current financial quarter under review increased by RM5.60 million (or 93.49%) to RM11.59 million as compared to RM5.99 million in the immediate preceding financial quarter.

The increase in revenue and profit before tax was mainly due to revenue generated from the sale of Mid-Autumn Festive products in current financial quarter and increase in sale of wholesale segment products through expansion of customer base and delivery fleet, as compared to the lower revenue recorded due to the fasting month in the preceding financial quarter.

**17. Commentary on Prospects**

With Malaysia entering the "Endemic" phase of COVID-19 and the re-opening of international borders, the Group expects a recovery in its retail operations due to the improved mobility. However, the Group is faced with the global supply chain disruptions and the fluctuation of prices in raw material. Therefore, the Group will continue to monitor the situation, and adopt strategies to mitigate its impact, which include resource allocation and cost control management.

Overall, the outlook of bakery products and cafeterias in Malaysia is positive.

**18. Profit Forecast**

The Group does not issue any profit forecast or profit guarantee during the current financial quarter under review.

**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad  
(Cont'd)****19. Income Tax Expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000
Income tax	2,387	407	3,412	526
Deferred tax	435	(350)	791	(325)
	2,822	57	4,203	201

**Notes:**

- (1) Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period. The taxation of other jurisdiction is calculated at the rate prevailing in the respective jurisdiction.
- (2) Income tax expense is recognised based on management's best estimate.

**20. Status of Corporate Proposals**

Saved as disclosed below, there were no other corporate proposals announced but not completed as at the date of this Condensed Report.

- a) On 8 December 2021, M&A Securities Sdn Bhd ("M&A Securities"), on behalf of the Board of Directors of SDS ("Board"), had announced that the Company proposes to implement a special issue of up to 46,400,000 new ordinary shares in the Company ("new SDS Shares") to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry ("MITI") ("Special Issue") at an issue price to be determined later.

Subsequently, on 8 March 2022, M&A Securities, on behalf of the Board, announced that the Board resolved to increase the issuance size of the special issue from 46,400,000 new SDS Shares to 58,000,000 new SDS Shares to comply with MITI's requirement whereby SDS is required to allocate 12.50% of its enlarged share capital to Bumiputera investors to be approved by MITI, in addition to the equity interests in SDS held by Bumiputera investors at the point of listing.

The approval from Bursa Malaysia Securities Berhad for the listing of the Special Issue Shares up to 58,000,000 new ordinary shares on the ACE Market was obtained on 27 April 2022. The approval from shareholders pursuant to the Special Issue had been obtained during the extraordinary general meeting held on 9 June 2022.

**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad  
(Cont'd)****20. Status of Corporate Proposals (Cont'd)**

Pursuant to the Special Issue, a total of 3,806,865 ordinary shares has been listed on the ACE Market of Bursa Securities at the issue price of RM0.38 per ordinary share for a total gross proceed of approximately RM1.45 million on 21 July 2022.

MITI had vide their letter dated 19 August 2022 reverted that they have exhausted all avenues to allocate the remaining Special Issue shares and will not proceed to further allocate the remaining Special Issue shares. On 20 September 2022, SC had notified that SDS is deemed to have complied with the Bumiputera equity requirement. As such, the Special Issue is deemed completed on 20 September 2022.

- b) On 28 July 2022, M&A Securities, on behalf of the Board, had announced that SDS proposed to undertake the proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Securities (“Proposed Transfer”) and proposed amendment to the Constitution of the Company to facilitate the implementation of the Proposed Transfer (“Proposed Amendment”).

The approval from shareholders pursuant to the Proposed Amendment had been obtained during the Annual General Meeting held on 26 August 2022. On 28 October 2022, the application for the Proposed Transfer has been submitted to the Securities Commission Malaysia.

Further details of the Proposed Transfer will be announced in due course.

**21. Utilisation of Proceeds Raised from the Special Issue**

The gross proceeds from the Special Issue of approximately RM1.45 million are intended to be utilised in the following manner:

<b>No.</b>	<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Unutilised amount RM'000</b>	<b>Timeframe for utilisation ((from date of receipt of proceeds)</b>
1.	Capital expenditure	1,302	-	1,302	Within 24 months
2.	Estimated listing expenses	145	145	-	Within 1 month
		<u>1,447</u>	<u>145</u>	<u>1,302</u>	

**Note:**

The utilisation of proceeds as disclosed above should be read in conjunction with the Circular to Shareholders in relation to the Special Issue dated 19 May 2022.

**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad  
(Cont'd)****22. Borrowings and Debt Securities**

The Group's borrowings were as follows:

	<b>Unaudited 30 September 2022 RM'000</b>	<b>Audited 31 March 2022 RM'000</b>
<b>Secured:</b>		
<b>Current liabilities</b>		
Lease liabilities	4,853	5,557
Term loans	1,313	2,545
	<u>6,166</u>	<u>8,102</u>
<b>Non-current liabilities</b>		
Lease liabilities	7,600	7,764
Term loans	6,927	12,813
	<u>14,527</u>	<u>20,577</u>
<b>Total Borrowings</b>	<u><u>20,693</u></u>	<u><u>28,679</u></u>

**23. Material Litigation**

There was no material litigation against the Group as at the end of the current financial quarter under review.

**24. Dividend**

Saved as disclosed below, there were no dividends proposed for the current financial quarter under review.

The Board of Directors has declared a second interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,029,120 in respect of financial year ended 31 March 2022 on 27 May 2022, which had been paid on 30 June 2022.

On 25 November 2022, the Board of Directors has declared a first interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,048,154 in respect of financial year ending 31 March 2023, to be paid on 23 December 2022. The entitlement date is 13 December 2022.



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(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad  
(Cont'd)****25. Earnings per Share ("EPS")**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2022	Unaudited 30 September 2021	Unaudited 30 September 2022	Unaudited 30 September 2021
Profit after tax attributable to owners of the Company (RM'000)	8,657	631	13,179	135
Weighted average number of ordinary shares in issue ('000)	408,886	405,824	407,363	405,824
Basic EPS (sen) <sup>(1)</sup>	2.12	0.16	3.24	0.03
Diluted EPS (sen) <sup>(2)</sup>	2.12	0.16	3.24	0.03

**Notes:**

- (1) Basic EPS is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period under review.
- (2) The diluted EPS is equal to the basic EPS as the Company does not have any convertible options as at the end of the reporting period.

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**SDS GROUP BERHAD****Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad  
(Cont'd)****26. Profit before Tax**

Included in profit for the financial period are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000	Unaudited 30 September 2022 RM'000	Unaudited 30 September 2021 RM'000
Bad debts written off	-	50	-	50
Depreciation of property, plant and equipment	2,350	1,996	4,579	3,962
Depreciation of right-of-use assets	1,358	1,675	2,799	3,561
Interest expenses	242	366	498	793
Loss/ (Gain) on foreign exchange:				
- Realised	45	1	57	6
- Unrealised	23	(13)	34	(8)
Property, plant and equipment written off	-	80	-	80
Bad debts recovered	-	(23)	*	(23)
(Gain)/ Loss on disposal of property, plant and equipment	(4)	(5)	(25)	15
Gain on disposal of short-term investment	-	-	(16)	-
Gain on lease termination	-	*	(161)	(14)
Interest income	(79)	(40)	(136)	(92)
Lease income	(1)	(1)	(3)	(3)

\* Denotes amount less than RM500.

**27. Authorised for Issue**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 25 November 2022.