



SINARAN ADVANCE GROUP BERHAD
 Registration No. 202001007513 (1363833-T)
 (Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 30 JUNE 2021**

	<u>Note</u>	Individual quarter Quarter ended		Cumulative quarter Quarter ended	
		30.06.2021 Unaudited RM'000	30.06.2020 Unaudited RM'000	30.06.2021 Unaudited RM'000	30.06.2020 Unaudited RM'000
Revenue	B1	44,471	25,031	56,643	45,645
Cost of sales		(43,340)	(22,103)	(54,695)	(40,544)
Gross profit		1,131	2,928	1,948	5,101
Other income		40	44	90	77
Selling and distribution expenses	B1	(166)	(224)	(376)	(472)
Administrative expenses	B1	(2,049)	(1,630)	(3,600)	(3,199)
Finance costs		(819)	(1,119)	(1,463)	(2,229)
Loss before taxation	B1	(1,863)	(1)	(3,401)	(722)
Taxation		26	25	53	51
Total (loss)/Profit for the period	B1	(1,837)	24	(3,348)	(671)
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period		(1,837)	24	(3,348)	(671)
Attributable to :					
- Owner of the Company		(1,837)	24	(3,348)	(671)
Loss per share attributable to owner of the Company :					(0)
Basic (RM sen)	B9	(0.26)	0.01	(0.48)	(0.12)
Diluted (RM sen)	B9	(0.26)	0.01	(0.47)	(0.09)

Notes:

(a) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim unaudited financial statements.



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Unaudited As at 30.06.2021 RM'000	Audited As at 31.12.2020 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	18,828	19,465
Land use rights prepayments	24,925	24,853
	<u>43,753</u>	<u>44,318</u>
Current Assets		
Land use rights prepayments	688	677
Inventories	704	1,348
Trade and other receivables	49,506	19,943
Tax recoverable	79	71
Cash and bank balances	22,278	13,604
	<u>73,255</u>	<u>35,643</u>
Total assets	<u>117,008</u>	<u>79,961</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	102,386	74,460
(Accumulated losses)/Retained earnings	38,492	40,167
Other reserves	(96,652)	(87,029)
	<u>44,226</u>	<u>27,598</u>
Current Liabilities		
Borrowings	38,975	32,008
Trade and other payables	30,779	17,324
	<u>69,754</u>	<u>49,332</u>
Non-Current Liability		
Deferred tax liability	3,028	3,031
	<u>3,028</u>	<u>3,031</u>
Total liabilities	<u>72,782</u>	<u>52,363</u>
Total equity and liabilities	<u>117,008</u>	<u>79,961</u>
Net assets per share attributable to owner of the Company (RM sen)	<u>6.28</u>	<u>5.63</u>

Notes:

(b) *The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim financial statements.*

(c) *The net assets per share attributable to owner of the Company is calculated based on the net assets as at 31 December 2020 and 31 March 2021 divided by the number of ordinary shares of 490,028,820 and 703,816,580 respectively.*



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR PERIOD ENDED 30 JUNE 2021**

	Attributable to owner of the Company						
	Share capital RM'000	Merger reserve RM'000	Statutory reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 31 December 2019	60,663	(105,626)	14,988	12,846	(5)	42,089	24,955
Share issuance arising from warrant conversion	4,041	-	-	-	-	-	4,041
Foreign currency translation reserve	-	-	-	-	(30)	-	(30)
Total comprehensive loss for the financial period	-	-	-	-	-	(671)	(671)
At 30 June 2020	64,704	(105,626)	14,988	10,757	(35)	41,418	26,206
At 31 December 2020	74,460	(110,101)	15,623	7,513	(64)	40,167	27,598
Share issuance arising from private placement	13,101	-	-	-	-	-	13,101
Exercise of warrants	12,151	-	-	(6,416)	-	-	5,735
Expiry of warrants	-	-	-	(960)	-	960	-
Foreign currency translation reserve	2,674	(1,846)	262	(137)	(526)	713	1,140
Total comprehensive loss for the financial period	-	-	-	-	-	(3,348)	(3,348)
At 30 June 2021	102,386	(111,947)	15,885	-	(590)	38,492	44,226

Notes:

(a) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	For the financial period ended 30.06.2021	For the financial period ended 30.06.2020
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(3,401)	(722)
Adjustments for:		
Interest income	-	(4)
Interest expenses	1,462	2,229
Depreciation of property, plant and equipment	949	935
Unrealised gain/(loss)	(1,484)	-
Amortisation of patents	-	325
Amortisation of land use rights	339	-
Operating income/(loss) before working capital changes	(2,135)	2,763
Decrease in inventories	605	1,933
(Increase)/Decrease in trade and other receivables	(30,145)	5,160
Increase/(Decrease) in trade and other payables	13,951	(18,723)
Cash from/(used in) operations	(17,724)	(8,867)
Interest received	-	4
Interest paid	(1,462)	(2,229)
Net cash flows used in operating activities	(19,186)	(11,092)
Cash flows from investing activities	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from share issuance	13,101	1,952
Proceeds from conversion of warrants	5,735	-
Proceeds from bank borrowings	7,884	7,078
Repayment of bank borrowings	-	(7,078)
Net cash flows from financing activities	26,720	1,952
Net increase/(decrease) in cash and cash equivalents	7,534	(9,140)
Cash and cash equivalents at beginning of the financial period [^]	13,604	10,890
Restricted bank balance [^]	-	10,639
Effect of exchange translation difference on cash and cash equivalents	1,140	(30)
Cash and cash equivalents at end of the financial period[^]	22,278	12,359

Notes:

(a) The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Consolidated Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the unaudited interim financial statements.

[^] Included in the cash and cash equivalents is an amount of RMB 10.60 million (RMB equivalent :RMB 17.54 million) held as restricted bank balance. The restricted bank balance represents amount deposited by third parties as a guarantee for indemnity purpose. The deposit is under the custody and control by Dixing, a wholly-owned subsidiary of SAG.



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A. NOTES TO THE UNAUDITED FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

A1. Basis of accounting and changes in accounting policies

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in MFRS 134 – Interim Financial Reporting, the International Accounting Standard 34 Interim Financial Reporting and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the FYE 2020 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 2020.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the FYE 2020 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2020.

The Group has adopted the following Amendments to Standards during the financial period.

<u>MFRS effective for financial periods beginning on or after 1 January 2020</u>	
Amendment to MFRS 3	Business Combination - Definition of a Business
Amendment to MFRS 101	Presentation of Financial Statements: Definition of Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
Amendment to MFRS 16	Leases – Covid-19 – Related Rent Concessions

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and of the Company.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

<u>MFRS effective for financial periods beginning on or after 1 January 2021</u>	
Amendment to MFRS 9	Financial Instruments, MFRS 139
Financial Instruments: Recognition and Measurement, MFRS 7	Financial Instruments: Disclosures, MFRS4
Insurance Contract and MFRS 16	Leases – Interest Rate Benchmark Reform-Phase 2



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A1. Basis of Preparation (cont'd)

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (cont'd):

MFRS effective for financial periods beginning on or after 1 January 2022

Amendment to MFRS 3	Business Combinations- Reference to the Conceptual Framework
Amendment to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract
Amendment to MFRS 1	First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020
Amendment to MFRS 9	Financial Instruments - Annual Improvements to MFRS Standards 2018-2020

MFRS effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendment to MFRS 101	Presentation of Financial Statements - Classification of liabilities as current or non-current

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

A2. Audit report of the Group's preceding annual financial statements

The Group's audited consolidated financial statements for the FYE 31 December 2020 were not subject to any audit qualification.

A3. Seasonal or cyclical factors

There were no seasonal or cyclical factors which will materially affect the Group during the quarter under review.

A4. Unusual items

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

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the results of the current quarter under review.



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A6. Changes in share capital and debts

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter and period except for :-

Date of issue	No. of shares issued	Issued and paid-up share capital	
		RMB'000	RM'000
As at 31 December 2020	490,028,820	107,579	69,744
Issuance pursuant to conversion of warrants:			
08-Jan-21	1,379,200	176	110
15-Jan-21	1,387,100	178	111
22-Jan-21	711,600	91	57
03-Feb-21	409,900	52	33
10-Feb-21	50,000	6	4
19-Feb-21	30,000	4	2
17-Mar-21	1,416,100	179	113
25-Mar-21	1,444,660	182	116
01-Apr-21	3,526,900	448	282
06-Apr-21	2,256,200	286	180
09-Apr-21	14,323,400	1,816	1,146
12-Apr-21	43,969,100	5,567	3,518
16-Apr-21	786,200	99	63
	561,719,180	116,664	75,479
Issuance pursuant special issue of new ordinary shares	142,097,400	20,678	13,101
Conversion of warrants	-	20,589	13,806
	703,816,580	157,931	102,386

A7. Subsequent material events

There were no other material events as at the date of this announcement that will affect the results in the financial year under review.

A8. Financial instruments with off-balance sheet risks

There were no financial instruments with off-balance sheet risks as at the date of this report.



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A9. Segment information

Period ended 30 June 2021

	Sports footwear in PRC RM'000	Construction in Malaysia RM'000	Others RM'000	Total RM'000
Revenue	27,602	29,041	-	56,643
Result				
Segment results	(1,297)	(547)	(184)	(2,028)
Other income	75	15	-	90
Finance costs	(1,463)	-	-	(1,463)
(Loss)/profit before taxation	(2,685)	(532)	(184)	(3,401)
Taxation	53	-	-	53
(Loss)/profit after taxation	(2,632)	(532)	(184)	(3,348)
Assets				
Segment assets	90,585	26,126	297	117,008
Total assets	90,585	26,126	297	117,008
Liabilities				
Segment liabilities	59,249	13,433	100	72,782
Total liabilities	59,249	13,433	100	72,782

For the financial period ended 30 June 2020

	Sports footwear in PRC RMB'000		Construction in Malaysia RMB'000		Holding company RMB'000		Total RMB'000	
Revenue								
Footwear	70,576	42,804	-	-	-	-	70,576	42,804
Construction	-	-	4,684	2,841	-	-	4,684	2,841
							75,260	45,645
Other income								
Realised gain on foreign exchange	-	-	-	-	18	11	18	11
Interest income	8	5	-	-	-	-	8	5
Rental income	101	61	-	-	-	-	101	61
							127	77
Operating expenses								
Selling and distribution	(779)	(472)	-	-	-	-	(779)	(472)
Administrative	(3,484)	(2,113)	(488)	(296)	(1,302)	(790)	(5,274)	(3,199)
							(6,053)	(3,671)

A10. Valuation of Property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the Group's audited consolidated financial statements for the FYE 31 December 2020. The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.



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A11. Status of corporate exercise

- (a) Save as disclosed below, there were no other corporate proposals announced but not completed as at 14 May 2021, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

The Company had on 30 June 2020, announced that the Company proposed to undertake the following proposals:

- 1) proposed special issue of up to 222,811,100 new ordinary shares in K-Star (“K-Star Shares” or “Shares”), representing not more than 50.0% of the issued share capital in K-Star to independent third party investor(s) to be identified (“Proposed Special Issue”); and
- 2) proposed internal reorganisation by way of a members’ scheme of arrangement under Section 210 of the Companies Act (Chapter 50) of Singapore (“Proposed Internal Reorganisation”) comprising the following proposals:

(i) Proposed exchange of:

(aa) all existing K-Star Shares with new ordinary shares in a new investment holding company, namely Bluesky Capital Sdn. Bhd. (“Newco”) (“Newco Shares”) on a one-for-one basis; and

(bb) all outstanding warrants 2018/2021 (“K-Star Warrants” or “Warrants”) with new warrants to be issued by Newco (“Newco Warrants”) on a one-for-one basis;

as at an entitlement date to be determined and announced later (“Proposed Securities Exchange”);

(ii) Proposed transfer of K-Star’s listing status to Newco, followed by the admission of Newco to and withdrawal of K-Star from the Official List of Bursa Malaysia Securities Berhad (“Bursa Securities”), and the listing of and quotation for the new Newco Shares and Newco Warrants on the Main Market of Bursa Securities (“Proposed Transfer of Listing”); and

(iii) Proposed transfer of K-Star’s entire shareholdings in its wholly-owned subsidiary, Sinaran Trillion Sdn. Bhd. (“STSB”) to Newco. Following the Proposed Securities Exchange, all of K-Star’s shareholdings in STSB will be transferred to Newco (“Proposed Transfer of Subsidiary”)

Subsequently on 26 October 2020, the Company announced the following:

(i) that the Board has resolved to reduce the issuance size of the Proposed Special Issue to 142,097,400 K-Star Shares; and

(ii) that the Company intends to establish an employees’ share option scheme (“ESOS”) upon completion of the Proposed Transfer of Listing under its new investment holding company, namely Sinaran Advance Group Berhad (“SAG”). The ESOS would entails the issuance of up to 15% of the total number of ordinary shares in SAG (“SAG Shares”) (excluding treasury shares, if any) at any point of time during the duration of the ESOS for the employees as well as executive and non-executive directors (“Director(s)”) of SAG and its subsidiaries (“SAG Group”) (excluding dormant subsidiaries) (“Proposed ESOS”).



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Proposed ESOS is intended to be implemented after the completion of the Proposed Transfer of Listing. In the event that the Proposed Transfer of Listing fails to be completed, the Proposed ESOS will be implemented by K-Star.

On 12 November 2020, the listing applications in relation to the Proposed Special Issue and Proposed Internal Reorganisation have been submitted to Bursa Securities and the approval was granted on 6 January 2021.

High Court of the Republic of Singapore (“High Court”) had on 22 January 2021 granted an order for the Company to convene the meeting with its shareholders and the holders of K-Star Warrants to obtain their respective approvals for the Proposed Internal Reorganisation.

The High Court had on 12 April 2021 granted the Company an order approving and sanctioning the Scheme pursuant to Section 210 of the CA (“Court Order”) and the Scheme took effect on 13 April 2021 following the lodgement of the Court Order with the Accounting and Corporate Regulatory Authority, Singapore.

As the Proposed ESOS is intended to be implemented after the Proposed Transfer of Listing, the listing application for the Proposed ESOS will be submitted to Bursa Securities after the Proposed Transfer of Listing is completed.

Barring unforeseen circumstances, the aforesaid proposals are expected to be completed during the quarter.

b) Utilisation of proceeds

The total gross proceeds from the special issue of 142,097,400 new ordinary shares in K-Star (“Proposed Special Issue”) to individual third party investors amounting to approximately RM13.10 million have been utilised in the following manner:

Details of utilisation	Utilisation timeframe	Proposed utilisation	Utilisation as at the reporting date	Amount unutilised
		RM’000	RM’000	RM’000
General Working capital	Within 18 months	2,840	2,840	-
Working capital for construction segment	Within 24 months	9,788	9,788	-
Expenses for the Proposal	Immediate	473	473	-
		<u>13,101</u>	<u>13,101</u>	-

A12. Contingent liabilities/assets

There were no material changes in the contingent liabilities or contingent assets since the last annual statement of financial position ended 31 December 2020.

A13. Capital commitments

There is no capital commitment as at 30 June 2021.



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A14. Changes in the composition of the Group

During the year K-Star has completed internal reorganization to SAG.(Refer note A11)

A15. Reserves

a) Statutory reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiary company of K-Star established in the PRC are required to transfer 10% of its profit after taxation prepared in accordance with the accounting regulation of the PRC to the statutory reserve until the reserve balance reaches 50% of the respective registered capital. Such reserve may be used to offset accumulated losses or increase the registered capital of this subsidiary, subject to the approval from the PRC authorities, and are not available for dividend distribution to the shareholders.

b) Merger reserve

The merger reserve arises from the difference between the cost of investment of subsidiary and the share capital of the subsidiary acquired under the pooling-of-interest method of accounting.

c) Warrant reserve

Warrant reserve relates to the fair value ascribed to warrants issued, net of issue expenses. As and when the warrants are exercised, the related balance in the warrant reserve is transferred to the share capital account. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of RM 0.08. The warrants had expired on 10 April 2021. On the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

A16. Related party transactions

There were no related party transactions during the current quarter and the financial year to date.

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Performance review

Statement of Profit & Loss and Other Comprehensive Income

	Individual Quarter Quarter Ended		Changes		Cumulative Quarter Period Ended		Changes	
	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	RM'000	%	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	RM'000	%
Revenue	44,471	25,031	19,440	78%	56,643	45,645	10,998	24%
Gross profit	1,131	2,928	(1,797)	-61%	1,948	5,101	(3,153)	-62%
Loss before tax	(1,863)	(1)	(1,862)	>100%	(3,401)	(722)	(2,679)	>100%
(Loss)/profit after	(1,837)	24	(1,861)	>100%	(3,348)	(671)	(2,677)	>100%

Revenue

For the current quarter and financial period ended 30 June 2021 (“2Q2021”), the Group’s revenue has increased by approximately 78% as compared to the preceding year corresponding quarter ended 30 June 2020 (“2Q2020”). This was mainly due to the revenue contribution from the construction segment. Meanwhile China business slow down due to pandemic COVID-19.

Gross profit and gross profit margin

Gross profit margin stood at 3%, representing a decrease of 61% as compared to 12% recorded in the 2Q2020. The lower gross profit margin was as a result of the gross loss incurred in the construction segment.

Loss after tax

The Group has incurred higher loss before taxation of RM1.8 million as compared to the 2Q2020. This was mainly in corresponding with the diminishing revenue from both the footwear segment and the construction segment.



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B2. Variation of results against immediate preceding quarter

	Quarter Ended		Changes	
	30.06.2021 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	RM'000	%
Groups Results				
Revenue	44,471	12,172	32,299	>100%
Gross profit	1,131	817	314	38%
Loss before tax	(1,863)	(1,538)	325	21%
Loss after tax	(1,837)	(1,511)	326	22%

The Group's revenue for the 2Q2021 has increased by >100% as compared to the preceding quarter three (3) months ended 31 March 2021 ("1Q2021") mainly due to the increase in construction segment.

The gross profit margin increased by 38% as compared to 7% recorded in the preceding quarter. This was mainly due the gross loss margin contributed from the construction segment which has undermined the overall gross profit margin of the Group.

The Group recorded a pre-tax loss and has been narrowed as compared to the 1Q2021 mainly due to the increase in general administrative expenses.

B3. Prospects for the financial year ending 31 December 2021

Looking forward, the sportswear market will be sustaining its growth potential driven by the consumption upgrading trend and stable demand among domestic consumers with improved living standard and higher income growth. The propelling growth in the sector is also driven by rising level of health and well-being awareness and increasing sports participation. In addition, the Chinese Government supports the development of sports industry vigorously with the introduction of numerous favorable policies, programmes and sport events. The advancement of e-commerce also plays a significant part to drive growth and to cushion the deteriorating growth of the retail stores.

Market competition will continue to intensify with international sportswear brands are constantly accelerating their presence in the mainland causing domestic sportswear brands to lose market share due to weaker brand recognition and innovation. The increasing cost of labour also raises concern over the challenges from Southeast Asia countries offering considerably labour cost advantages over China. However, China has its competitive advantages over its well-established and centralised hub of raw and auxiliary material supplies serves to strengthen cohesion and sustainability of the local market.

Given the overall backdrop in consumer sentiment, uncertainty economic impact arising from the on-going US-China trade dispute, coronavirus outbreak and intense market competition, the Group remains cautious and sees challenges on the business growth but remains optimistic on the long term sustainability of the business.



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Following the diversification of the Group business into construction and involvement into healthcare sector with the intention to provide additional stream of revenue to the Group. The Group believes that the construction sector, being the backbone of the nation's economy growth would continue to be the key priority of the government's focus to promote continuous economy growth and recovery from the Covid-19 pandemic. The Board believe the stimulus measure introduced by the Malaysian government would give rise to increase construction activities in Malaysia, which will in turn, present the Group with more business opportunities (i.e. subcontracting work from main contractor). The Board of Directors of SAG ("Board") envisages that the Group's prospects for the financial year ending 31 December 2021 would be challenging.

B4. Profit forecast and profit guarantee

The Group has not provided any profit forecast or profit guarantee in any public document for the current financial quarter.

B5. Taxation

	30-Jun-21	30-Jun-20
	RM '000	RM '000
Deferred tax income	(51)	(51)
	<u>(51)</u>	<u>(51)</u>

There were no provision for taxation for the current quarter and year to date ended 30 June 2021 as the Group has incurred losses.

The deferred tax income was in respect of the unwinding of deferred tax liability over the useful life of certain assets.

B6. Group borrowings

The Group's borrowings as at 30 June 2021 were as follows:

	30 June 2021	30 June 2020
	RM'000	RM'000
Short-term bank borrowings:		
Secured	6,299	5,944
Unsecured	32,676	42,048
	<u>38,975</u>	<u>47,992</u>

The borrowings are denominated in RMB with a weighted average interest rate of 5.66% (31 March 2020: 5.66%) per annum. There were no material changes of the borrowings amount as at the current quarter as compared to the preceding year corresponding quarter.



SINARAN ADVANCE GROUP BERHAD

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

B7. Changes in material litigation

As at the date of this report, there is no material litigation or arbitration, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or threatened or of any material fact likely to give rise to any such proceedings which might materially and adversely affect the financial position or business of the Group.

B8. Dividend

There were no dividends declared by the Company for the current quarter ended 30 June 2021.

B9. Profit/(Loss) per share

Basic loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net (loss)/profit attributable to owners of the parent (RM'000)	(1,837)	24	(3,348)	(671)
Weighted average number of ordinary shares (units)	696,989	440,725	696,989	442,450
Basic (loss)/profit per share attributable to owners of the parent (sen)	(0.26)	0.01	(0.48)	(0.15)

There was no dilution in the loss per share as the exercise price of the ESOS exceeded the average market price of ordinary shares during the financial period. The ESOS do not have any dilutive effect on the weighted average numbers of shares.

By Order of the Board

Ding JianPing
Executive Chairman and
Chief Executive Officer
30 September 2021