



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE QUARTER ENDED 31 DECEMBER 2021**

	<u>Note</u>	Individual quarter Quarter ended		Cumulative quarter Quarter ended	
		31.12.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Audited
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	23,771	11,273	101,953	82,200
Cost of sales		<u>(21,045)</u>	<u>(9,995)</u>	<u>(96,043)</u>	<u>(74,267)</u>
Gross profit		2,726	1,278	5,910	7,933
Other income		36	34	167	180
Selling and distribution expenses	B1	(257)	(208)	(923)	(900)
Administrative expenses	B1	(2,721)	(2,408)	(7,883)	(7,093)
Finance costs		<u>(734)</u>	<u>(596)</u>	<u>(3,025)</u>	<u>(3,835)</u>
Loss before taxation	B1	(950)	(1,900)	(5,754)	(3,714)
Taxation		<u>24</u>	<u>26</u>	<u>104</u>	<u>104</u>
Total loss for the period	B1	<u>(926)</u>	<u>(1,874)</u>	<u>(5,650)</u>	<u>(3,611)</u>
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period		<u>(926)</u>	<u>(1,874)</u>	<u>(5,650)</u>	<u>(3,611)</u>
Attributable to :					
- Owner of the Company		<u>(926)</u>	<u>(1,874)</u>	<u>(5,650)</u>	<u>(3,611)</u>
<b>Loss per share attributable to owner of the Company :</b>					
Basic (RM sen)	B9	(0.14)	(0.41)	(0.85)	(0.80)
Diluted (RM sen)	B9	-	(0.33)	-	(0.79)

**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 ("FYE 2020") and the accompanying explanatory notes attached to the interim unaudited financial statements.
- (b) The presentation currency of this audited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2020 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.6161 as at 31 December 2020. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.



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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	18,240	18,969
Right-of-use assets	25,056	24,220
	43,296	43,189
<b>Current Assets</b>		
Right-of-use assets	702	660
Inventories	1,200	1,314
Trade receivables	51,775	19,393
Other receivables	400	43
Contract assets	4,250	-
Tax recoverable	123	69
Cash and bank balances	19,002	13,258
	77,452	34,736
<b>Total assets</b>	120,748	77,925
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	102,386	72,563
Retained earnings	36,822	39,145
Other reserves	(97,416)	(84,812)
	41,792	26,896
<b>Current Liabilities</b>		
Borrowings	36,421	31,193
Trade payables	24,384	4,544
Other payables	15,100	12,339
Lease liabilities	14	-
	75,919	48,075
<b>Non-Current Liability</b>		
Deferred tax liability	3,030	2,954
Lease liabilities	7	-
	3,037	2,954
<b>Total liabilities</b>	78,956	51,029
<b>Total equity and liabilities</b>	120,748	77,925
<b>Net assets per share attributable to owner of the Company (sen) (Note b)</b>	5.94	5.49

**Notes:**

- (a) 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.
- (b) The net assets per share attributable to owner of the Company is calculated based on the net assets as at 31 December 2020 and 30 September 2021 divided by the number of ordinary shares of 490,028,820 and 703,816,582 respectively.
- (c) The presentation currency of this audited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2020 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.6161 as at 31 December 2020. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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
<b>At 31 December 2019</b>	61,623	(107,297)	15,225	13,049	(5)	42,756	25,351
Share issuance arising from warrant conversion	5,212	-	-	-	-	-	5,212
Exercise of warrants	5,728	-	-	(5,728)	-	-	-
Foreign currency translation reserve	-	-	-	-	(56)	-	(56)
<b>Total comprehensive loss for the financial period</b>	-	-	-	-	-	(3,611)	(3,611)
<b>At 31 December 2020 (Note b)</b>	<b>72,563</b>	<b>(107,297)</b>	<b>15,225</b>	<b>7,321</b>	<b>(61)</b>	<b>39,145</b>	<b>26,896</b>
<b>At 31 December 2020</b>	72,563	(107,297)	15,225	7,321	(61)	39,145	26,896
Share issuance arising from private placement	13,101	-	-	-	-	-	13,101
Exercise of warrants	12,151	-	-	(6,416)	-	-	5,735
Expiry of warrants	-	-	-	(1,364)	-	1,364	-
Foreign currency translation reserve	4,571	(6,723)	954	459	486	1,963	1,710
<b>Total comprehensive loss for the financial period</b>	-	-	-	-	-	(5,650)	(5,650)
<b>At 31 December 2021</b>	<b>102,386</b>	<b>(114,020)</b>	<b>16,179</b>	<b>-</b>	<b>425</b>	<b>36,822</b>	<b>41,792</b>

**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.

(b) The presentation currency of this audited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2020 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.6161 as at 31 December 2020. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	For the financial period ended 31.12.2021	For the financial period ended 31.12.2020
	Unaudited	Audited
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(5,754)	(3,714)
Adjustments for:		
Interest income	(10)	(12)
Interest expenses	3,025	3,835
Depreciation of property, plant and equipment	1,908	1,881
Depreciation of right of use assets	7	
Unrealised exchange gain	(12,506)	-
Impairment loss on trade receivables	460	-
Amortisation of land use rights	689	660
Operating (loss)/profit before working capital changes	(12,181)	2,649
Decrease in inventories	110	1,431
(Increase)/Decrease in trade and other receivables	(37,109)	26,879
Increase/(Decrease) in trade and other payables	22,670	(11,944)
Cash used in operations	(26,510)	19,015
Income tax paid	-	(66)
Interest received	10	12
Interest paid	(3,025)	(4,362)
<b>Net cash flows used in operating activities</b>	<b>(29,525)</b>	<b>14,599</b>
<b>Cash flows from investing activities</b>		
Acquisition of right of use assets	(28)	-
<b>Net cash flows from investing activities</b>	<b>(28)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance	13,101	-
Proceeds from conversion of warrants	5,735	5,213
Proceeds from bank borrowings	22,672	21,336
Repayment of bank borrowings	(22,672)	(21,336)
Proceeds from borrowings from a third party	6,547	-
Repayment of lease liabilities	(7)	-
Repayment of loan from an unrelated party	(3,274)	(17,559)
<b>Net cash flows from financing activities</b>	<b>22,102</b>	<b>(12,346)</b>
Net increase/(decrease) in cash and cash equivalents	(7,451)	2,253
Cash and cash equivalents at beginning of the financial period <sup>^</sup>	13,258	11,062
Restricted bank balance <sup>^</sup>	11,485	-
Effect of exchange translation difference on cash and cash equivalents	1,710	(57)
<b>Cash and cash equivalents at end of the financial period<sup>^</sup></b>	<b>19,002</b>	<b>13,258</b>

**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.
- (b) The presentation currency of this audited financial report is Renminbi ("RMB"). Supplementary information in Ringgit Malaysia ("RM") for the quarter ended 31 December 2020 with comparatives are shown for reference only and has been made at the same exchange rate of RMB1 to RM0.6161 as at 31 December 2020. This translation should not be construed as a representation that the RMB amounts represented have been or could be converted into RM at this or any other rate.
- <sup>^</sup> Included in the cash and cash equivalents is an amount of RMB10.60 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.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**A. NOTES TO THE UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 2021.

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

**MFRS effective for financial periods beginning on or after 1 January 2021**

Amendments 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

**MFRS effective for financial periods beginning on or after 1 April 2021**

Amendments to MFRS 16 *Leases – Covid-19 Related Rent Concession beyond 30 June 2021*

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:

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

Amendments to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards - Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendments to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendments to MFRS 141	<i>Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)</i>



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**A1. Basis of accounting and changes in accounting policies (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 2023**

---

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

---

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.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**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.

**A7. Subsequent material events**

On 14 January 2022, Private Placement has been completed following the listing and quotation of 211,144,900 at an exercise price RM0.0405 each.

On 11 February 2022, the Company announced that Bursa Securities had resolved to grant the Company an extension of time of 2 months until 16 April 2022 to complete the implementation of the Bonus Issue of Warrants.

On 11 February 2022, the Company announced that the final copy of the bylaws of the ESOS has been submitted to Bursa Securities on 11 February 2022. Accordingly, the effective date of implementation of the ESOS shall be 11 February 2022.

**A8. Segment information**

**Financial period ended 31 December 2021**

	<b>Sports footwear in PRC RM'000</b>	<b>Construction in Malaysia RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Footwear	59,095	-	-	59,095
Construction	-	42,858	-	42,858
	<u>59,095</u>	<u>42,858</u>	<u>-</u>	<u>101,953</u>
<b>Result:</b>				
Segment Result	432	(541)	(2,786)	(2,895)
Other income	143	15	9	167
Finance Cost	(3,024)	-	(1)	(3,025)
Loss before taxation	<u>(2,450)</u>	<u>(526)</u>	<u>(2,777)</u>	<u>(5,754)</u>
Taxation	108	-	(4)	104
Loss after taxation	<u>(2,342)</u>	<u>(526)</u>	<u>(2,781)</u>	<u>(5,650)</u>
 Segment assets	 <u>80,156</u>	 <u>35,461</u>	 <u>5,131</u>	 <u>120,748</u>
 Segment liabilities	 <u>56,335</u>	 <u>22,095</u>	 <u>526</u>	 <u>78,956</u>

**A9. Valuation of Property, plant and equipment**

There is no valuation of the property, plant and equipment during the current quarter.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**A10. Status of corporate exercise**

(a) Corporate Proposals and Fund Raising

On 18 August 2021, the Company announced that Bursa Securities had vide its letter dated 18 August 2021, resolved to approve the following:

1. admission to the Official List and listing and quotation of up to 457,480,741 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants;
2. listing and quotation of up to 457,480,741 new SAG Shares to be issued from the exercise of the Warrants; and
3. listing and quotation of such number of new SAG Shares, representing up to 15% of the Company's total number of issued shares (excluding treasury shares, if any), to be issued pursuant to the ESOS.

On 28 January 2022, the Company announced that an application for extension of time of 2 months up to 16 April 2022 to complete the Bonus Issue of Warrants has been submitted to Bursa Securities.

On 11 February 2022, the Company announced that Bursa Securities had resolved to grant the Company an extension of time of 2 months until 16 April 2022 to complete the implementation of the Bonus Issue of Warrants.

On 11 February 2022, the Company announced that the final copy of the bylaws of the ESOS has been submitted to Bursa Securities on 11 February 2022. Accordingly, the effective date of implementation of the ESOS shall be 11 February 2022.

**A11. 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.

**A12. Capital commitments**

There is no capital commitment as at 31 December 2021.

**A13. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.





**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**A14. 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.

**a) 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.

**b) 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. the balance of the warrant reserve has been transferred to retained earnings.

**A15. Related party transactions**

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

**A16. Financial Instruments**

**a) Categories of Financial Instruments**

The table below provides an analysis of financial instrument as at 31 December 2021 categorised as follows:

	31/12/2021 RM '000	31/12/2020 RM '000
<b>Financial assets</b>		
<u>At amortised cost</u>		
Trade receivables	51,775	19,393
Other receivables	400	43
Contract assets	4,250	-
Cash and cash equivalents	19,002	13,258
	<u>75,427</u>	<u>32,693</u>
<b>Financial Liabilities</b>		
<u>At amortised cost</u>		
Trade payables	24,384	4,544
Other payables and accruals	15,100	12,339
Lease liabilities	21	-
Borrowings	36,421	31,193
	<u>75,926</u>	<u>48,076</u>



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**A16. Financial Instruments (Cont'd)**

b) Fair Value Information

The carrying amount of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

**A17. Fair Value Measurement**

The financial assets maturing within the next 12 months reasonably approximate their fair values due to the relatively short-term maturity of the financial instruments.

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value measurement of financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and bank balances, trade and other payables and interest-bearing borrowings) or those which reprice regularly approximate their fair values because of the short period to maturity or repricing.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**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	
	31.12.2021 RM'000 (unaudited)	31.12.2020 RM'000 (unaudited)	RM'000	%	31.12.2021 RM'000 (unaudited)	31.12.2020 RM'000 (Audited)	RM'000	%
Revenue	23,771	11,273	12,498	>100%	101,953	82,200	19,753	24%
Gross profit	2,726	1,278	1,448	>100%	5,910	7,933	(2,023)	-26%
Loss before tax	(950)	(1,900)	950	-50%	(5,754)	(3,714)	(2,040)	55%
(Loss)/profit after tax	(926)	(1,874)	948	-51%	(5,650)	(3,611)	(2,039)	56%

**Revenue**

For the current quarter and financial period ended 31 December 2021 (“4Q2021”), the Group’s revenue has increased by approximately 100% as compared to the preceding year corresponding quarter ended 31 December 2020 (“4Q2020”). This was mainly due to the revenue contribution from the construction segment.

**Loss after tax**

The Group recorded a loss after tax of RM0.9 million for the three (3) months ended 31 December 2021 as compared to loss after tax of RM1.9 million for the preceding year corresponding quarter ended 31 December 2020. The decrease in loss after tax was mainly resulted from higher gross profit from construction segment.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**B2. Variation of results against immediate preceding quarter**

	Quarter Ended		Changes	
	31.12.2021 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)	RM'000	%
Group Results				
Revenue	23,771	21,539	2,232	10%
Gross profit	2,726	1,236	1,490	>100%
Loss before tax	(950)	(1,403)	(453)	-32%
Loss after tax	(926)	(1,376)	(450)	-33%

The Group's revenue for the 4Q2021 has increased by 10% as compared to the preceding quarter three (3) months ended 30 September 2021 ("3Q2021") mainly due to higher revenue in the construction segment.

The Group recorded a loss after tax of RM0.9 million for the three (3) months ended 31 December 2021 as compared to loss after tax of RM1.4 million for the preceding quarter three (3) months ended 30 September 2021. The increase in loss after tax was mainly resulted from higher gross profit margin .

**B3. Future Prospects**

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.



**SINARAN ADVANCE GROUP BERHAD**

Registration No. 202001007513 (1363833-T)

(Incorporated in Malaysia)

**B3. Future Prospects (cont'd)**

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 coming years 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**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>RM '000</b>	<b>RM '000</b>
Deferred taxation	104	104

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

**B6. Group borrowings**

The Group's borrowings as at 31 December 2021 were as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Short-term bank borrowings:		
Secured	6,416	6,038
Unsecured	16,256	15,298
Loans from an unrelated party	13,749	9,858
	<u>36,421</u>	<u>31,193</u>

The borrowings are denominated in RMB with a weighted average interest rate of 5.66% (31 December 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 31 December 2021.

**B9. Loss per share**

**Basic loss per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net loss attributable to owners of the parent (RM'000)	(926)	(1,874)	(5,650)	(3,611)
Weighted average number of ordinary shares (units)	662,365	454,177	662,365	454,177
Basic loss per share attributable to owners of the parent (sen)*	<u>(0.14)</u>	<u>(0.41)</u>	<u>(0.85)</u>	<u>(0.80)</u>

\*The diluted loss per share for the financial period is equal to the basic loss per share as the conversion of potential ordinary share would decrease loss per share from continuing operation. Thus, the potential effect of the conversion of warrants would be anti-dilutive.



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

**B10. Trade Receivables**

The aging analysis of the Group's trade receivables as at 31 December 2021 is as follows:

	As at 31 December 2021 RM'000 (unaudited)	As at 31 December 2020 RM'000 (audited)
Trade receivables	51,775	19,393

The aging analysis of the Group's trade receivables as at 31 December 2021 is as follows:

	As at 31 December 2021 RM'000 (unaudited)	As at 31 December 2020 RM'000 (audited)
No credit terms	-	212
Not past due	8,881	14,213
Past due but not impaired:		
- Less than 30 days	5,355	4,360
- 31-60 days	9,634	51
- more than 60 days	27,905	557
	51,775	19,393

By Order of the Board

Ding JianPing  
Executive Chairman and  
Chief Executive Officer  
28 February 2022