



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE QUARTER ENDED 31 MARCH 2022**

	<u>Note</u>	Individual quarter		Cumulative quarter	
		Quarter ended 31.03.2022 Unaudited	Quarter ended 31.03.2021 Unaudited	Quarter ended 31.03.2022 Unaudited	Quarter ended 31.03.2021 Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	15,975	12,172	15,975	12,172
Cost of sales		(13,119)	(11,355)	(13,119)	(11,355)
Gross profit		2,856	817	2,856	817
Other income		36	50	36	50
Selling and distribution expenses	B1	(178)	(210)	(178)	(210)
Administrative expenses	B1	(1,652)	(1,551)	(1,652)	(1,551)
Finance costs		(740)	(644)	(740)	(644)
Loss before taxation	B1	322	(1,538)	322	(1,538)
Taxation		28	27	28	27
Total loss for the period	B1	350	(1,511)	350	(1,511)
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period		350	(1,511)	350	(1,511)
Attributable to :					
- Owner of the Company		350	(1,511)	350	(1,511)
<b>Loss per share attributable to owner of the Company :</b>					
Basic (RM sen)	B10	0.04	(0.29)	0.04	(0.29)
Diluted (RM sen)	B10	-	(0.25)	-	(0.25)

**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 2021 ("FYE 2021") and the accompanying explanatory notes attached to the interim unaudited financial statements.
- (b) The presentation in Ringgit Malaysia ("RM") for the quarter ended 31 March 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6630 for the quarter ended 31 March 2022 and exchange rate of RM0.6322 for the quarter ended 31 March 2021. 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.



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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022**

	Unaudited As at 31.03.2022	Audited As at 31.12.2021
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	17,989	18,240
Right-of-use assets	25,191	25,056
	<u>43,180</u>	<u>43,296</u>
<b>Current Assets</b>		
Right-of-use assets	710	702
Inventories	413	1,200
Trade receivables	49,822	51,775
Other receivables	58	400
Contract assets	1,654	4,250
Tax recoverable	138	123
Cash and bank balances	28,222	19,002
	<u>81,017</u>	<u>77,452</u>
<b>Total assets</b>	<u>124,197</u>	<u>120,748</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	110,741	102,386
Retained earnings	34,751	34,401
Other reserves	(94,513)	(94,988)
	<u>50,979</u>	<u>41,799</u>
<b>Current Liabilities</b>		
Borrowings	36,883	36,421
Trade payables	17,724	24,384
Other payables	15,553	15,093
Lease liabilities	14	14
	<u>70,174</u>	<u>75,912</u>
<b>Non-Current Liability</b>		
Deferred tax liability	3,040	3,030
Lease liabilities	4	7
	<u>3,044</u>	<u>3,037</u>
<b>Total liabilities</b>	<u>73,218</u>	<u>78,949</u>
<b>Total equity and liabilities</b>	<u>124,197</u>	<u>120,748</u>
<b>Net assets per share attributable to owner of the Company (sen) (Note b)</b>	<u>5.57</u>	<u>5.94</u>

**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 2021 and 31 March 2022 divided by the number of ordinary shares of 703,816,580 and 914,961,482 respectively.
- (c) The presentation in Ringgit Malaysia ("RM") for the quarter ended 31 March 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6630 for the quarter ended 31 March 2022 and exchange rate of RM0.6322 for the quarter ended 31 March 2021. 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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	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 1 January 2021</b>	77,134	(107,297)	15,225	7,321	(4,634)	39,147	26,896
Issuance of ordinary shares	13,101	-	-	-	-	-	13,101
Exercise of warrants	12,151	-	-	(6,416)	-	-	5,735
Expiry of warrants	-	-	-	(905)	-	905	-
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	-	-	1,718	(5,651)	(3,933)
<b>At 31 December 2021</b>	102,386	(107,297)	15,225	-	(2,916)	34,401	41,799
<b>At 1 January 2022</b>	102,386	(107,297)	15,225	-	(2,916)	34,401	41,799
Share issuance arising from private placement	8,355	-	-	-	-	-	8,355
Foreign currency translation reserve	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	-	-	475	350	825
<b>At 31 March 2022</b>	110,741	(107,297)	15,225	-	(2,441)	34,751	50,979

**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 2021 and the accompanying explanatory notes attached to the unaudited interim financial statements.
- (b) The presentation in Ringgit Malaysia ("RM") for the quarter ended 31 March 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6630 for the quarter ended 31 March 2022 and exchange rate of RM0.6322 for the quarter ended 31 March 2021. 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.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	For the financial period ended 31.03.2022	For the financial period ended 31.03.2021
	Unaudited	Unaudited
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	322	(1,538)
Adjustments for:		
Interest income	(2)	(1)
Interest expenses	740	644
Depreciation of property, plant and equipment	484	477
Depreciation of right of use assets	182	170
Unrealised exchange gain	(56)	-
Operating (loss)/profit before working capital changes	<u>1,670</u>	<u>(248)</u>
Decrease in inventories	787	514
Decrease in trade and other receivables	4,891	564
(Decrease)/Increase in trade and other payables	<u>(6,202)</u>	<u>364</u>
Cash generated in operations	1,146	1,194
Income tax paid	(15)	-
Interest received	2	1
Interest paid	<u>(740)</u>	<u>(644)</u>
<b>Net cash flows generated from operating activities</b>	<b>393</b>	<b>551</b>
<b>Cash flows from investing activities</b>		
<b>Net cash flows generated from investing activities</b>	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance	8,355	13,622
Proceeds from borrowings from a third party	-	6,322
Repayment of lease liabilities	(3)	-
<b>Net cash flows generated from financing activities</b>	<b>8,352</b>	<b>19,944</b>
Net increase in cash and cash equivalents	8,745	20,495
Cash and cash equivalents at beginning of the financial period <sup>^</sup>	19,002	13,604
Effect of exchange translation difference on cash and cash equivalents	475	87
<b>Cash and cash equivalents at end of the financial period<sup>^</sup></b>	<b>28,222</b>	<b>34,186</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 2021 and the accompanying explanatory notes attached to the unaudited interim financial statements.

(b) The presentation in Ringgit Malaysia ("RM") for the quarter ended 31 March 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6630 for the quarter ended 31 March 2022 and exchange rate of RM0.6322 for the quarter ended 31 March 2021. 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.



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**A. NOTES TO THE UNAUDITED FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2022**

**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 2021.

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 2021 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.

- Amendments to MFRS 16, Covid-19 Related Rent Concessions
- Amendments to MFRS 16, Covid-19 Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

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

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as “MFRSs”), issued by the Malaysian Accounting Standards Board (“MASB”) and effective for the financial periods beginning on or after 1 January 2022;

**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 Asssts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendments to MFRS 141	<i>Agriculture (Annual Improvements to MFRSs 2018 – 2020 Cycle)</i>



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**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 2021 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 :-

- i) The Company issued new ordinary shares pursuant to Private Placement exercise as below:

<b>Corporate Exercise</b>	<b>Listing Date</b>	<b>No. of Shares '000</b>	<b>Share Price RM</b>	<b>Proceeds RM'000</b>
Private Placement	14-Jan-22	211,145	0.0405	8,551
<b>TOTAL</b>				<b>8,551</b>

**A7. Subsequent material events**

On 22 April 2022, the Company announced that Bursa Securities had vide its letter dated 21 April 2022 resolved to grant the Company an extension of time until 25 April 2022 to complete the implementation of the Bonus Issue of Warrants.

On 22 April 2022, the Company announced that 457,480,739 Warrants 2022/2027 issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of the Bursa Malaysia Securities Berhad and the listing and quotation of the Warrants 2022/2027 on the Main Market under the "Consumer Products & Services" sector, will be granted with effect from 9.00 a.m., Monday, 25 April 2022. The Stock Number, Stock Short Name and ISIN Code of the Warrants 2022/2027 are "5172WB", "SINARAN-WB" and "MYL5172WB746" respectively.

On 25 April 2022, the Company announced that the Bonus Issue of Warrants has been completed following the listing and quotation for 457,480,739 Warrants on the Main Market of Bursa Securities.

On 18 May 2022, the Company announced termination on Memorandum of Understanding entered into between Kanger International Berhad and K Star Healthcare Sdn. Bhd. ("K Star Healthcare"), a wholly-owned subsidiary of the Company in relation to the Appointment of K Star Healthcare as the Sale Agent for Covid-19 vaccines in Malaysia.



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**A8. Segment information**

**Financial period ended 31 March 2022**

	<b>Sports footwear in PRC</b>	<b>Construction in Malaysia</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Footwear	10,183	-	-	10,183
Construction	-	5,792	-	5,792
	<u>10,183</u>	<u>5,792</u>	<u>-</u>	<u>15,975</u>
<b>Result:</b>				
Segment Result	(554)	1,950	(370)	1,026
Other income	36	-	-	36
Finance Cost	(740)	-	-	(740)
Loss before taxation	<u>(1,258)</u>	<u>1,950</u>	<u>(370)</u>	<u>322</u>
Taxation	28	-	-	28
Loss after taxation	<u>(1,230)</u>	<u>1,950</u>	<u>(370)</u>	<u>350</u>
Segment assets	<u>78,111</u>	<u>37,718</u>	<u>8,367</u>	<u>124,197</u>
Segment liabilities	<u>55,204</u>	<u>17,803</u>	<u>211</u>	<u>73,218</u>

**Financial period ended 31 March 2021**

	<b>Sports footwear in PRC</b>	<b>Construction in Malaysia</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
Footwear	11,567	-	-	11,567
Construction	-	605	-	605
	<u>11,567</u>	<u>605</u>	<u>-</u>	<u>12,172</u>
<b>Result:</b>				
Segment Result	(430)	(37)	(477)	(943)
Other income	34	15	1	50
Finance Cost	(645)	-	-	(645)
Loss before taxation	<u>(1,041)</u>	<u>(22)</u>	<u>(476)</u>	<u>(1,538)</u>
Taxation	27	-	-	27
Loss after taxation	<u>(1,014)</u>	<u>(22)</u>	<u>(476)</u>	<u>(1,511)</u>
Segment assets	<u>82,287</u>	<u>1,707</u>	<u>14,824</u>	<u>98,818</u>
Segment liabilities	<u>57,993</u>	<u>678</u>	<u>351</u>	<u>59,022</u>

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

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





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**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.

On 22 April 2022, the Company announced that Bursa Securities had vide its letter dated 21 April 2022 resolved to grant the Company an extension of time until 25 April 2022 to complete the implementation of the Bonus Issue of Warrants.

On 22 April 2022, the Company announced that 457,480,739 Warrants 2022/2027 issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of the Bursa Malaysia Securities Berhad and the listing and quotation of the Warrants 2022/2027 on the Main Market under the "Consumer Products & Services" sector, will be granted with effect from 9.00 a.m., Monday, 25 April 2022. The Stock Number, Stock Short Name and ISIN Code of the Warrants 2022/2027 are "5172WB", "SINARAN-WB" and "MYL5172WB746" respectively.

On 25 April 2022, the Company announced that the Bonus Issue of Warrants has been completed following the listing and quotation for 457,480,739 Warrants on the Main Market of Bursa Securities.

**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 2021.

**A12. Capital commitments**

There is no capital commitment as at 31 March 2022.



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**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.

**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.

**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.

**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:

	31/03/2022	31/03/2021
	RM '000	RM '000
Financial assets		
<u>At amortised cost</u>		
Trade receivables	49,822	19,323
Other receivables	58	49
Contract assets	1,654	-
Cash and cash equivalents	28,222	34,186
	<u>79,756</u>	<u>53,557</u>
Financial Liabilities		
<u>At amortised cost</u>		
Trade payables	17,724	4,980
Other payables and accruals	15,553	12,706
Lease liabilities	18	-
Borrowings	36,883	21,893
	<u>70,178</u>	<u>39,580</u>



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**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.



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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				Cumulative Quarter Period Ended			
	31.03.2022 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	Changes RM'000	%	31.12.2021 RM'000 (unaudited)	31.12.2020 RM'000 (Audited)	Changes RM'000	%
Revenue	15,975	12,172	3,803	31%	15,975	12,172	3,803	31%
Gross profit	2,856	817	2,039	>100%	2,856	817	2,039	>100%
Profit/(Loss) before	322	(1,538)	1,860	>100%	322	(1,538)	1,860	>100%
Profit/(Loss) after tax	350	(1,511)	1,861	>100%	350	(1,511)	1,861	>100%

**Revenue**

For the current quarter and financial period ended 31 March 2022 (“1Q2022”), the Group’s revenue has increased by approximately 31% as compared to the preceding year corresponding quarter ended 31 March 2021 (“1Q2021”). This was mainly due to the revenue contribution from the construction segment.

**Loss after tax**

The Group recorded a profit after tax of RM0.4 million for the three (3) months ended 31 March 2022 as compared to loss after tax of RM1.5 million for the preceding year corresponding quarter ended 31 March 2021. The increase in profit after tax was mainly resulted from higher gross profit from construction segment.



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

	Quarter Ended		Changes	
	31.03.2022	31.12.2021	RM'000	%
Group Results	RM'000	RM'000	RM'000	%
Revenue	(unaudited) 15,975	(unaudited) 23,771	(7,796)	-33%
Gross profit	2,856	2,726	130	5%
Profit/(Loss) before tax	322	(950)	(1,272)	>100%
Profit/(Loss) after tax	350	(926)	(1,276)	>100%

The Group's revenue for the 1Q2022 has decreased by 33% as compared to the preceding quarter three (3) months ended 31 December 2021 ("4Q2021") mainly due to lower revenue in the sports footwear segment.

The Group recorded a profit after tax of RM0.4 million for the three (3) months ended 31 March 2022 as compared to loss after tax of RM0.9 million for the preceding quarter three (3) months ended 31 December 2021. The increase in profit after tax was mainly resulted from higher gross profit margin in construction segment.

**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.



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**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 March 2022</b>	<b>31 December 2021</b>
	<b>RM '000</b>	<b>RM '000</b>
Deferred taxation	28	103

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. Status of utilisation of proceeds**

<b>Details of utilisation</b>	<b>Utilisation timeframe</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Unutilised proceeds RM'000</b>
Funding for the Group's on-going construction projects	Within 24 months	8,251	-	8,251
Expenses for the Proposal	Immediate	300	300	-
		<u>8,551</u>	<u>300</u>	<u>8,251</u>



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**B7. Group borrowings**

The Group's borrowings as at 31 March 2022 were as follows:

	<b>31 March 2022</b>	<b>31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Short-term bank borrowings:		
Secured	6,497	6,416
Unsecured	16,462	16,256
Loans from an unrelated party	13,923	13,749
	<u>36,883</u>	<u>36,421</u>

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

**B8. 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.

**B9. Dividend**

There were no dividends declared by the Company for the current quarter ended 31 March 2022.

**B10. Loss per share**

**Basic loss per share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Quarter Ended</b>		<b>Period Ended</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Net profit/(loss) attributable to owners of the parent (RM'000)	350	(1,511)	350	(1,511)
Weighted average number of ordinary shares (units)	884,463	517,350	884,463	517,350
Basic profit/(loss) per share attributable to owners of the parent (sen)	<u>0.04</u>	<u>(0.29)</u>	<u>0.04</u>	<u>(0.29)</u>



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**B10. Loss per share (cont'd)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended		Period Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Net profit/(loss) attributable to owners of the parent (RM'000)	350	(1,511)	350	(1,511)
Weighted average number of ordinary shares in issue ('000)	884,463	517,350	884,463	517,350
Warrants outstanding ('000)	-	75,170	-	75,170
Weighted average number of ordinary shares in issue ('000)	884,463	592,520	884,463	592,520
Diluted loss per share attributable to owners of the parent (sen)*	-	(0.25)	-	(0.25)

\*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.

**B11. Trade Receivables**

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

	As at 31 March 2022 RM'000 (unaudited)	As at 31 March 2021 RM'000 (unaudited)
Trade receivables	49,822	19,323

The aging analysis of the Group's trade receivables as at 31 March 2022 is as follows:

	As at 31 March 2022 RM'000 (unaudited)	As at 31 March 2021 RM'000 (unaudited)
No credit terms	-	-
Not past due	4,152	5,089
Past due but not impaired:		
- Less than 30 days	2,441	278
- 31-60 days	7,744	2,826
- more than 60 days	35,485	11,130
	49,822	19,323

By Order of the Board  
Ding JianPing  
Executive Chairman and  
Chief Executive Officer  
31 May 2022