



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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2022**

The Board of Directors of Sinaran Advance Group Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December (“FYE”) 2021 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>Note</u>	Individual quarter		Cumulative quarter	
		Quarter ended		Quarter ended	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
		Unaudited	Audited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	16,550	23,771	56,913	101,953
Cost of sales		(16,103)	(21,296)	(52,890)	(96,294)
Gross profit		447	2,475	4,023	5,659
Other income		452	36	625	167
Selling and distribution expenses		(182)	(257)	(698)	(923)
Administrative expenses		(1,786)	(2,470)	(6,807)	(7,632)
Other operating expenses		(2,655)	-	(2,709)	-
Finance costs		(582)	(734)	(2,712)	(3,025)
Loss before taxation	B12	(4,306)	(950)	(8,278)	(5,754)
Taxation		(143)	23	(60)	103
Total loss for the period	B1	(4,449)	(927)	(8,338)	(5,651)
Other comprehensive income after tax		-	-	-	-
Total comprehensive loss for the period		(4,449)	(927)	(8,338)	(5,651)
Attributable to :					
- Owner of the Company		(4,449)	(927)	(8,338)	(5,651)
<b>Loss per share attributable to owner of the Company :</b>					
Basic (RM sen)	B13	(0.49)	(0.14)	(0.92)	(0.86)
Diluted (RM sen)	B13	(0.49)	(0.14)	(0.92)	(0.86)

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(CONT'D)**

**Notes:**

- (a) The presentation in Ringgit Malaysia ("**RM**") for the quarter ended 31 December 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6322 for the quarter ended 31 December 2022 and exchange rate of RM0.6428 for the quarter ended 31 December 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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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31.12.2022 RM'000	Audited As at 31.12.2021 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	15,767	18,240
Right-of-use assets	23,504	25,057
	<u>39,271</u>	<u>43,297</u>
<b>Current Assets</b>		
Right-of-use assets	677	701
Inventories	642	1,200
Trade receivables	46,779	51,775
Other receivables	375	400
Contract assets	-	4,250
Tax recoverable	-	123
Short-term investment	1,508	-
Cash and bank balances	24,541	19,002
	<u>74,522</u>	<u>77,451</u>
<b>Total assets</b>	<u>113,793</u>	<u>120,748</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	110,741	102,386
Retained earnings	26,063	34,401
Other reserves	(95,794)	(94,988)
	<u>41,010</u>	<u>41,799</u>
<b>Current Liabilities</b>		
Borrowings	28,215	36,421
Trade payables	29,352	24,384
Other payables	12,391	15,093
Lease liabilities	6	14
	<u>69,964</u>	<u>75,912</u>
<b>Non-Current Liability</b>		
Deferred tax liability	2,819	3,030
Lease liabilities	-	7
	<u>2,819</u>	<u>3,037</u>
<b>Total liabilities</b>	<u>72,783</u>	<u>78,949</u>
<b>Total equity and liabilities</b>	<u>113,793</u>	<u>120,748</u>

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
<b>Net assets per share attributable to owner of the Company (sen) (Note b)</b>	<u>4.48</u>	<u>5.94</u>

**Notes:**

- (a) 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 December 2022 divided by the number of ordinary shares of 703,816,580 and 914,961,482 respectively.
- (b) The presentation in Ringgit Malaysia ("**RM**") for the quarter ended 31 December 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6322 for the quarter ended 31 December 2022 and exchange rate of RM0.6428 for the quarter ended 31 December 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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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	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	-
Total comprehensive loss for the financial year	-	-	-	-	1,718	(5,651)	(3,933)
<b>At 31 December 2021</b>	<b>102,386</b>	<b>(107,297)</b>	<b>15,225</b>	<b>-</b>	<b>(2,916)</b>	<b>34,401</b>	<b>41,799</b>
<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	-	-	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	-	(806)	(8,338)	(9,144)
<b>At 31 December 2022</b>	<b>110,741</b>	<b>(107,297)</b>	<b>15,225</b>	<b>-</b>	<b>(3,722)</b>	<b>26,063</b>	<b>41,010</b>

**Notes:**

- (a) The presentation in Ringgit Malaysia ("RM") for the quarter ended 31 December 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6322 for the quarter ended 31 December 2022 and exchange rate of RM0.6428 for the quarter ended 31 December 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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Registration No. 202001007513 (1363833-T)

**(Incorporated in Malaysia)****CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022****CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>For the financial year ended 31.12.2022 RM'000 Unaudited</b>	<b>For the financial year ended 31.12.2021 RM'000 Audited</b>
<b>Cash flows from operating activities</b>		
Loss before taxation	(8,278)	(5,754)
Adjustments for:		
Interest income	(16)	(10)
Unrealised gain on forex exchange	(154)	(9)
Bad debt recovery	(317)	-
Interest expenses	2,712	3,025
Depreciation of property, plant and equipment	1,915	1,908
Depreciation of right of use assets	716	696
Loss on impairment on trade receivables	2,708	460
Realised gain in forex exchange	27	-
Operating (loss)/profit before working capital changes	(687)	316
Decrease in inventories	558	114
Decrease/(Increase) in trade and other receivables	6,563	(37,450)
Increase in trade and other payables	2,702	22,602
Cash generated from/(used in) operations	9,136	(14,418)
Income tax paid	(167)	-
<b>Net cash flows generated from/(used in) operating activities</b>	<b>8,969</b>	<b>(14,418)</b>
<b>Cash flows from investing activities</b>		
Placement of short-term investment	(1,508)	-
Interest income	16	10
Acquisition of property, plant and equipment	-	(26)
<b>Net cash flows generated used in investing activities</b>	<b>(1,492)</b>	<b>(16)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance	8,355	13,101
Proceeds from conversion of warrants	-	5,735
Proceeds from bank borrowings	22,655	1,336
Proceeds from loans from an unrelated party	-	3,892
Repayment of loans to an unrelated party	(7,194)	-
Repayment of bank borrowings	(22,655)	-
Term loan interest paid	(2,712)	(3,025)
Repayment of lease liabilities	(15)	(7)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(1,566)</b>	<b>21,032</b>

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	For the financial year ended 31.12.2022 RM'000 Unaudited	For the financial year ended 31.12.2021 RM'000 Audited
Net increase in cash and cash equivalents	5,911	6,598
Cash and cash equivalents at beginning of the financial year <sup>^</sup>	7,912	1,773
Restricted bank balance <sup>^</sup>	11,090	11,485
Effect of exchange translation difference on cash and cash equivalents	(372)	(854)
<b>Cash and cash equivalents at end of the financial year<sup>^</sup></b>	<b>24,541</b>	<b>19,002</b>

**Cash and cash equivalents at the end of the financial year comprise the following:**

	For the financial year ended 31.12.2022 RM'000 Unaudited	For the financial year ended 31.12.2021 RM'000 Audited
<b>Cash and bank balances</b>		
- Malaysian Ringgit	7,757	2,730
- Chinese Yuan	16,784	16,272
	<b>24,541</b>	<b>19,002</b>

**Notes:**

(a) The presentation in Ringgit Malaysia ("**RM**") for the quarter ended 31 December 2022 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6322 for the quarter ended 31 December 2022 and exchange rate of RM0.6428 for the quarter ended 31 December 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 RM11.46 million (RMB equivalent : RMB17.54 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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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

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 2021 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 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.

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

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.



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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:

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

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MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Disclosures of Accounting Estimates</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>

**MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

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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>
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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. Qualification of financial statements**

The audit report of the Group's financial statements for the FYE 2021 was not subject to any audit qualification.

**A3. Seasonal or cyclical factors**

The results for the current financial quarter were not affected by any seasonal or cyclical factors.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current financial quarter.

**A5. Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial periods, which have a material effect in the current financial quarter.

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There is no issues, repurchases, and repayments of debts and equity securities of the Group during the financial quarter and period except for on 14 January 2022, the Company had raised approximately RM8.6 million from the private placement exercise by issuance of 211,144,900 new ordinary shares.

**A7. Dividend paid**

There were no dividends paid during the current financial quarter.

**A8. Segmental information**

The reportable business segment of the Group comprise the following:

- Sports : Business of design, manufacture and distribution of sports footwears, sports apparel and footwear accessories
- Construction : Construction and related activities
- Others : Other segments comprise investment holding, property investment holding and wholesale of pharmaceutical and medical goods.

	<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	36,216	-	-	36,216
Construction	-	20,697	-	20,697
	36,216	20,697	-	56,913
<b>Result:</b>				
Segment result	(2,003)	(2,076)	(2,112)	(6,191)
Other income	146	317	162	625
Finance Cost	(2,712)	-	-	(2,712)
Loss before taxation	(4,569)	(1,759)	(1,950)	(8,278)
Taxation	110	(170)	-	(60)
Loss after taxation	(4,459)	(1,929)	(1,950)	(8,338)
<b>Segment assets</b>				
As at 31.12.2021	80,156	35,461	5,131	120,748
As at 31.12.2022	63,524	43,431	6,838	113,793
<b>Segment liabilities</b>				
As at 31.12.2021	56,335	22,095	519	78,949
As at 31.12.2022	45,116	27,394	273	72,783

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

The Group did not revalue any of its property, plant and equipment during the current financial quarter.

**A10. Material events subsequent to the end of the current quarter**

There were no other material event subsequent at the end of the current quarter.

**A11. Changes in the composition of the Group**

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

**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 2021.

**A13. Capital commitments**

There were no capital commitments as at 31 December 2022.

**A14. Significant related party transactions**

There were no significant related party transactions during the current financial quarter.

**A15. Financial Instruments**

a) Categories of Financial Instruments

The table below provides an analysis of financial instrument as at 31 December 2022 categorised as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Financial assets		
<u>At amortised cost</u>		
Trade receivables	46,779	51,775
Other receivables	375	400
Contract assets	-	4,250
Cash and cash equivalents	24,541	19,002
	<u>71,695</u>	<u>75,427</u>
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	29,351	24,384
Other payables and accruals	12,388	14,970
Lease liabilities	6	21
Borrowings	28,215	36,421
	<u>69,960</u>	<u>75,796</u>

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**A15. 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.

**A16. 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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REQUIREMENT OF BURSA SECURITIES FOR THE ACE MARKET****B1. Review Of Performance****Statement of Profit & Loss and Other Comprehensive Income**

	Individual Quarter				Cumulative Quarter			
	Quarter Ended		Changes		Period Ended		Changes	
	31.12.2022	31.12.2021	RM'000	%	31.12.2022	31.12.2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
	(unaudited)	(unaudited)	(unaudited)		(unaudited)	(Audited)		
<b>Revenue</b>	16,550	23,771	(7,221)	-30%	56,913	101,953	(45,040)	-44%
<b>Gross profit</b>	447	2,475	(2,028)	-82%	4,023	5,659	(1,636)	-29%
<b>Loss before tax</b>	(4,306)	(950)	(3,356)	353%	(8,278)	(5,754)	(2,524)	44%
<b>Loss after tax</b>	(4,449)	(927)	(3,522)	380%	(8,338)	(5,651)	(2,687)	48%

**a) Quarter ended 31 December 2022 compared with quarter ended 31 December 2021**

The Group registered revenue of RM16.36 million for the four (4) months ended 31 Decemeber 2022, was mainly generated from Fujian JinJiang Dixing Shoe Plastics Co., Ltd on design, manufacture and distribution of sports footwear, sports apparel and accessories amounted RM6.55 million (2021: RM15.74 million) and Sinaran Trilion Sdn. Bhd. on construction activities amounted RM9.81 million (2021: RM8.03 million). For the current quarter and financial period ended 31 December 2022 (“4Q2022”), the Group’s revenue has decreased by approximately 31% as compared to the preceding year corresponding quarter ended 31 December 2021 (“4Q2021”). This was mainly due to the Covid-19 outbreak in China during November 2022 to December 2022 had gave significant impact on the economy, including global supply chains and causes huge decrease in the sales of sport footwear, sports apparel and accessories from the China side.

**b) Twelve month ended 31 December 2022 compared with year ended 31 December 2021**

Group revenue of RM56.72 million for the current twelve month decrease by 44% compare with RM101.95 million in the previous year’s twelve month. The decrease came primarily from the sports footwear, sports apparel and accessories in China and construction sector in Malaysia.

Besides, the Group has incurred higher loss after tax of RM8.52 million for the twelve (12) months ended 31 December 2022 as compared to loss after tax of RM5.65 million for the preceding year corresponding quarter ended 31 December 2021. This was mainly due to the impairment on long outstanding trade receivable and huge decrease in sales of sport footwear, sports apparel and accessories from the China due to the impact of pandemic Covid-19.

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	Quarter Ended		Changes	
	31.12.2022 RM'000 (unaudited)	30.09.2022 RM'000 (unaudited)	RM'000	%
Group Results				
Revenue	16,550	12,196	4,354	36%
Gross profit	447	94	353	376%
Loss before tax	(4,306)	(2,243)	(2,063)	92%
Loss after tax	(4,449)	(2,215)	(2,234)	101%

**Revenue**

The Group's revenue for the 4Q2022 has increased RM4.17 million as compared to the preceding quarter three (3) months ended 30 September 2022 ("3Q2022") mainly due to the recovery progression from the construction segment.

**Loss after tax**

The Group recorded a higher pre-tax loss as compared to the 3Q2022 mainly due to the impairment on long outstanding trade-receivables.

**B3. Current year 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 centralized hub of raw and auxiliary material supplies serves to strengthen cohesion and sustainability of the local market.

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**(Incorporated in Malaysia)****CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022****B3. Current year prospects (cont'd)**

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.

Following the diversification of the Group business into construction 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. Variation on Revenue or Profit Estimate, Forecast, Projection or Internal Targets**

Not applicable.

**B5. Variance of Actual Profit After Tax and Minority Interest and the Forecast Profit after Tax and Minority Interest**

Not applicable.

**B6. Variance on forecast profit/profit guarantee**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**B7. Taxation**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Current year tax expenses	170	3
Underprovision in prior year	-	1
	<u>170</u>	<u>4</u>
Deferred taxation	(110)	(107)
	<u>60</u>	<u>(103)</u>

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

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On 14 January 2022, the Company had raised approximately RM8.6 million from the private placement exercise by issuance of 211,144,900 new ordinary shares.

<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>8,551</u>	<u>-</u>

**B9. Borrowings and debt securities**

	<b>31.12.2022 RM'000</b>	<b>31.12.2021 RM'000</b>
Short-term bank borrowings:		
Secured	6,196	6,416
Unsecured	15,698	16,256
Loans from an unrelated party	<u>6,321</u>	<u>13,749</u>
	<u>28,215</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.

**B10. Material litigation**

There are no pending material litigations involving the Group as at the date of this report.

**B11. Dividend**

The Board of Directors did not recommend any dividend for the current financial quarter.



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	Individual Quarter		Cumulative Quarter	
	Quarter Ended		Period Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(audited)	(unaudited)	(audited)
Unrealised foreign exchange (gain)/loss	(289)	3,760	(154)	(9)
Realised foreign exchange loss	89	-	27	-
Loss on impairment of trade receivables	(2,709)	-	(2,709)	-
Depreciation of property, plant and equipment	469	482	1,915	1,908
Depreciation of right-of-used assets	176	183	716	696
Interest expense	582	734	2,712	3,025
Rental income	(33)	(34)	(135)	(133)
Other income	(317)	-	(317)	(15)
Interest income	-	(1)	(19)	(10)

**B13. Loss per share**

Basic loss per share is calculated by dividing the net loss attributable to owners of parent for the period by the number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Quarter Ended		Period Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net loss attributable to owners of the company (RM'000)	(4,449)	(927)	(8,338)	(5,651)
Weighted average number of ordinary shares (units)	907,441	657,941	907,441	657,941
Basic & diluted loss per share attributable to owners of the parent (sen)	(0.49)	(0.14)	(0.92)	(0.86)

\* The diluted loss per ordinary share is same as the basic loss per share as the average market price of the ordinary shares during the current financial quarter was lower than the exercise price of the warrants and accordingly, the effect of the assumed conversion of warrants outstanding will be anti-dilutive effect and the Company has no other dilutive potential ordinary shares in issue as at the end of the current financial quarter.

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	<b>As at 31.12.2022 RM'000 (unaudited)</b>	<b>As at 31.12.2021 RM'000 (audited)</b>
Trade receivables	49,631	52,235
Less: Impairment losses	<u>(2,852)</u>	<u>(460)</u>
	<u>46,779</u>	<u>51,775</u>

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

	<b>As at 31.12.2022 RM'000 (unaudited)</b>	<b>As at 31.12.2021 RM'000 (audited)</b>
No credit terms	-	-
Not past due	7,568	6,815
Past due but not impaired:		
- Less than 30 days	5,628	11,532
- 31- 60 days	5,058	9,112
- more than 60 days	<u>31,377</u>	<u>24,776</u>
Gross trade receivables	49,631	52,235
Less: Allowance for impairment loss	<u>(2,852)</u>	<u>(460)</u>
	<u>46,779</u>	<u>51,775</u>

The reconciliation of the allowance for impairment losses of trade receivables are as follows:

	<b>As at 31.12.2022 RM'000 (unaudited)</b>	<b>As at 31.12.2021 RM'000 (audited)</b>
At beginning of the financial year	(460)	-
Impairment loss recognised	(2,709)	(460)
Reversal of impairment loss	<u>317</u>	<u>-</u>
At end of the financial year	<u>(2,852)</u>	<u>(460)</u>

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**B15. Authorisation For Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Board of Directors.

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