



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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023

The Board of Directors of Sinaran Advance Group Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2023 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December (“FYE”) 2022 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	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	5,002	12,196	34,230	40,363
Cost of sales		(4,654)	(12,102)	(32,487)	(36,787)
Gross profit		348	94	1,743	3,576
Other income		526	99	622	173
Selling and distribution expenses		(113)	(143)	(400)	(516)
Administrative expenses		(1,372)	(1,623)	(4,529)	(5,021)
Other operating expenses		9	(31)	(216)	(54)
Finance costs		(511)	(639)	(1,544)	(2,130)
Loss before taxation	B12	(1,113)	(2,243)	(4,324)	(3,972)
Taxation		27	28	81	83
Total loss for the period	B1	(1,086)	(2,215)	(4,243)	(3,889)
Other comprehensive income/(loss), net of tax					
- Gain/(Loss) from translation reserve		28	(215)	476	79
Total comprehensive loss for the period		(1,058)	(2,430)	(3,767)	(3,810)
Attributable to :					
- Owner of the Company		(1,058)	(2,430)	(3,767)	(3,810)
Loss per share attributable to owner of the Company :					
Basic (RM sen)	B13	(0.12)	(0.23)	(0.46)	(0.41)
Diluted (RM sen)	B13	(0.12)	(0.23)	(0.46)	(0.41)

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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 30 September 2023 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6420 for the quarter ended 30 September 2023 and exchange rate of RM0.6386 for the quarter ended 30 September 2022. 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 FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
	30.09.2023	31.12.2022
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	14,654	15,767
Right-of-use assets	23,346	23,504
Other investment	10,526	-
	<u>48,526</u>	<u>39,271</u>
Current Assets		
Inventories	410	641
Right-of-use assets	688	677
Trade receivables	31,893	46,779
Other receivables	666	375
Tax recoverable	28	29
Other investment	3,567	1,508
Cash and bank balances	21,314	24,541
	<u>58,566</u>	<u>74,550</u>
Total assets	<u>107,092</u>	<u>113,821</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Unaudited As at 30.09.2023 RM'000	Audited As at 31.12.2022 RM'000
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	110,741	110,741
Retained earnings	21,863	26,106
Other reserves	(95,318)	(95,794)
Total equity	<u>37,286</u>	<u>41,053</u>
Current Liabilities		
Borrowings	22,232	21,894
Trade payables	24,543	29,351
Other payables	12,605	12,377
Contract liabilities	1,224	-
Lease liabilities	-	6
	<u>60,604</u>	<u>63,628</u>
Non-Current Liabilities		
Borrowings	6,420	6,321
Deferred tax liability	2,782	2,819
	<u>9,202</u>	<u>9,140</u>
Total liabilities	<u>69,806</u>	<u>72,768</u>
Total equity and liabilities	<u>107,092</u>	<u>113,821</u>
Net assets per share attributable to owner of the Company (sen)	<u>4.08</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 2022 and 30 September 2023 divided by the number of ordinary shares of 914,961,482.
- (b) The presentation in **RM** for the quarter ended 30 September 2023 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6420 for the quarter ended 30 September 2023 and exchange rate of RM0.6322 for the quarter ended 31 December 2022. 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	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022	102,386	(107,297)	15,225	(2,916)	34,401	41,799
Share issuance arising from private placement	8,355	-	-	-	-	8,355
Net income for the financial period	-	-	-	-	(3,889)	(3,889)
Other comprehensive income for the financial period	-	-	-	79	-	79
Total comprehensive income for the financial period	-	-	-	79	(3,889)	(3,810)
At 30 September 2022	110,741	(107,297)	15,225	(2,837)	30,512	46,344
At 1 January 2023	110,741	(107,297)	15,225	(3,722)	26,106	41,053
Net loss for the financial period	-	-	-	-	(4,243)	(4,243)
Other comprehensive income for the financial period	-	-	-	476	-	476
Total comprehensive loss for the financial period	-	-	-	476	(4,243)	(3,767)
At 30 September 2023	110,741	(107,297)	15,225	(3,246)	21,863	37,286

Notes:

- (a) The presentation in **RM** for the quarter ended 30 September 2023 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6420 for the quarter ended 30 September 2023 and exchange rate of RM0.6386 for the quarter ended 30 September 2022. 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 CASH FLOWS

	For the financial period ended 30.09.2023 RM'000 Unaudited	For the financial period ended 30.09.2022 RM'000 Unaudited
Cash flows from operating activities		
Loss before taxation	(4,324)	(3,972)
Adjustments for:		
Interest income	(5)	(16)
Interest expenses	1,539	2,130
Depreciation of property, plant and equipment	1,362	1,446
Depreciation of right of use assets	522	540
Realised gain on forex exchange	-	(62)
Unrealised loss/(gain) on forex exchange		
- Other receivables	(26)	-
- Cash and bank balances	76	54
- Other investment	70	-
Fair value gain on other investment	(265)	-
Operating loss before working capital changes	(1,051)	120
Decrease in inventories	231	777
Decrease in trade and other receivables	14,621	5,481
Decrease in trade and other payables	(3,356)	(2,600)
Cash generated from operations	10,445	3,778
Income tax paid	(125)	(164)
Income tax refund	126	-
Interest received	1	16
Net cash flows generated from operating activities	10,447	3,630
Cash flows from investing activities		
Acquisition of other investments	(12,386)	-
Acquisition of property, plant and equipment	(5)	-
Net cash flows used in investing activities	(12,391)	-
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	8,355
Repayment of bank borrowings	-	(3,290)
Term loan interest paid	(1,539)	(2,130)
Repayment of lease liabilities	(6)	(12)
Net cash flows used in financing activities	(1,545)	2,923

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	For the financial period ended 30.09.2023 RM'000 Unaudited	For the financial period ended 30.09.2022 RM'000 Unaudited
Net (decrease)/increase in cash and cash equivalents	(3,489)	6,553
Cash and cash equivalents at beginning of the financial year	13,279	7,542
Restricted bank balance [^]	11,262	11,460
Effect of exchange translation difference on cash and cash equivalents	262	105
Cash and cash equivalents at end of the financial period/year[^]	21,314	25,660

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

	For the financial period ended 30.09.2023 RM'000 Unaudited	For the financial period ended 30.09.2022 RM'000 Unaudited
Cash and bank balances		
- Malaysian Ringgit	7,425	5,829
- Chinese Yuan	13,889	19,831
	21,314	25,660

Notes:

- (a) The presentation in **RM** for the quarter ended 30 September 2023 with comparatives are shown for reference only and has been made at the exchange rate of RMB1 to RM0.6420 for the quarter ended 30 September 2023 and exchange rate of RM0.6386 for the quarter ended 30 September 2022. 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.

[^] Included in the cash and cash equivalents is an amount of RM11.262 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 2022 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 2022.

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 2022 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 2023.

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

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 112	<i>Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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 standards that have been issued as at the reporting date but are not yet effective

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	<i>Leases - Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Disclosures of Accounting Estimates</i>

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

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 2022 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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A6. Debt and equity securities

On 21st September 2023, the Group has offered 101,000,000 new ordinary shares at RM0.06 pursuant to the exercise of Employees' Share Option Scheme ("ESOS")

There is no issues, repurchases, and repayments of debts and equity securities of the Group during the financial quarter and period.

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.

	Sports footwear in PRC RM'000	Construction in Malaysia RM'000	Others RM'000	Total RM'000
Revenue				
Footwear	17,959	-	-	17,959
Construction	-	16,271	-	16,271
	<u>17,959</u>	<u>16,271</u>	<u>-</u>	<u>34,230</u>
Result				
Segment result	(1,671)	(15)	(1,716)	(3,402)
Other income	102	-	520	622
Finance Cost	(1,539)	-	(5)	(1,544)
Loss before taxation	(3,108)	(15)	(1,201)	(4,324)
Taxation	81	-	-	81
Loss after taxation	<u>(3,027)</u>	<u>(15)</u>	<u>(1,201)</u>	<u>(4,243)</u>
Segment assets				
As at 31.12.2022	<u>63,523</u>	<u>43,459</u>	<u>6,839</u>	<u>113,821</u>
As at 30.09.2023	<u>61,082</u>	<u>29,058</u>	<u>16,952</u>	<u>107,092</u>
Segment liabilities				
As at 31.12.2022	<u>44,813</u>	<u>27,391</u>	<u>564</u>	<u>72,768</u>
As at 30.09.2023	<u>44,967</u>	<u>24,409</u>	<u>430</u>	<u>69,806</u>

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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 2022.

A13. Capital commitments

There were no capital commitments as at 30 September 2023.

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 30 September 2023 categorised as follows:

	30.09.2023	31.12.2022
	RM'000	RM'000
Financial assets		
<u>At amortised cost</u>		
Trade receivables	31,893	46,779
Other receivables	666	375
Cash and cash equivalents	21,314	24,541
	<u>53,873</u>	<u>71,695</u>
<u>At fair value</u>		
Other investment	<u>14,093</u>	<u>1,508</u>

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A15. Financial Instruments (cont'd)

a) Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instrument as at 30 September 2023 categorised as follows: (cont'd)

	30.09.2023	31.12.2022
	RM'000	RM'000
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	24,543	29,351
Other payables and accruals	12,605	12,340
Contract liabilities	1,224	-
Lease liabilities	-	6
Borrowings	28,652	28,215
	<u>67,024</u>	<u>69,912</u>

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 MAIN MARKET****B1. Review Of Performance****Statement of Profit & Loss and Other Comprehensive Income**

	Individual Quarter				Cumulative Quarter			
	Quarter Ended		Changes		Period Ended		Changes	
	30.09.2023	30.09.2022	RM'000	%	30.09.2023	30.09.2022	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
	(unaudited)	(unaudited)	(unaudited)		(unaudited)	(unaudited)	(unaudited)	
Revenue	5,002	12,196	(7,194)	-59%	34,230	40,363	(6,133)	-15%
Gross profit	348	94	254	270%	1,743	3,576	(1,833)	-51%
Loss before tax	(1,113)	(2,243)	1,130	-50%	(4,324)	(3,972)	(352)	9%
Loss after tax	(1,086)	(2,215)	1,129	-51%	(4,243)	(3,889)	(354)	9%

a) Quarter ended 30 September 2023 compared with quarter ended 30 September 2022

The Group registered revenue of RM5 million for the three (3) months ended 30 September 2023, was generated from Fujian JinJiang Dixing Shoe Plastics Co., Ltd on design, manufacture and distribution of sports footwear, sports apparel and accessories.

For the current quarter, the Group's revenue has decreased by RM7.19 million as compared to the preceding corresponding quarter ended 30 September 2022. These were mainly arising from sports footwear industry of RM4.53 million and construction industry of RM2.66 million.

Sports footwear industry was heavily impacted by the US & China Trade War and brand competition. Dixing brand sports footwear has decreased approximately RM3.56 million while export sales decreased by RM0.97 million as compared to preceding corresponding quarter. However, construction industry declined by RM2.66 million due to delay in project.

The Group recorded loss after tax of RM1.09 million for 3Q2023 as compared RM2.22 million for the preceding corresponding quarter. The improvement of 51% was effectiveness from the Board on monitoring the bottom line through the reduction of administrative expenses.

b) Nine months ended 30 September 2023 compared with nine months ended 30 September 2022

Group revenue of RM34.23 million for the current 9 months ended 30 September 2023 decrease by RM6.13 million (15%) compared with RM40.36 million in the previous period's nine months. The decrease in revenue primary arising from sports footwear industry of RM11.70 million, however construction industry increases its revenue by RM5.57 million compared to previous period's nine months.

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B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter

Group Results	Quarter Ended		Changes	
	30.09.2023 RM'000 (unaudited)	31.06.2023 RM'000 (unaudited)	RM'000	%
Revenue	5,002	12,783	(7,781)	-61%
Gross profit	348	736	(388)	-53%
Loss before tax	(1,113)	(1,459)	346	-24%
Loss after tax	(1,086)	(1,432)	346	-24%

Revenue

The Group's revenue for the 3Q2023 has decreasing by 61% as compared to preceding quarter three (3) months ended 30 June 2023 ("122023). This was mainly due to the delay in the progress of construction industry in Malaysia.

Loss after tax

The Group recorded a loss after tax of RM1.11 million in the current financial quarter as compared to loss after tax of RM1.46 million in the immediate preceding financial quarter. No much changes compare to 2Q2023.

B3. Current year prospects

China the major player in the sportswear industry has faced challenges related to labour cost, regulations, rising of competitor and US-China trade war. Among these challenges, the key challenge was US-China trade war. From year 2018 until today, the tariffs for Chinese imports increased by 25%. This decision cause continues decline in sales of sportswear toward the United State.

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. 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. Current year prospects (cont'd)

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

	30.09.2023	30.09.2022
	RM'000	RM'000
	(unaudited)	(unaudited)
Deferred taxation	<u>(54)</u>	<u>(55)</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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B8. Corporate exercise

There was no corporate proposal during the financial period.

B9. Borrowings and debt securities

	30.09.2023	31.12.2022
	RM'000	RM'000
	(unaudited)	(audited)
Short-term bank borrowings:		
Secured	6,292	6,196
Unsecured	15,940	15,698
Loans from an unrelated party	6,420	6,321
	28,652	28,215

The borrowings are denominated in RMB with a weighted average interest rate of 5.66% (31 December 2022: 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.

B12. Loss before tax

	Individual Quarter		Cumulative Quarter	
	Quarter Ended		Period Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Unrealised foreign exchange loss	28	31	120	54
Realised foreign exchange loss/(gain)	-	(14)	96	(62)
Depreciation of property, plant and equipment	449	480	1,362	1,446
Depreciation of right-of-used assets	171	179	522	540
Interest expense	509	639	1,539	2,130
Fair value gain on other investment				
- Quoted shares	(247)	-	(210)	-
- Money market funds	(29)	-	(55)	-
Rental income	(33)	(34)	(99)	(102)
Interest income	(2)	-	(5)	(16)
	(2)	-	(5)	(16)

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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	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Net loss attributable to owners of the company (RM'000)	(1,086)	(2,024)	(4,243)	(3,889)
Weighted average number of ordinary shares (units)	914,961	899,796	914,961	899,796
Basic & diluted loss per share attributable to owners of the parent (sen)	(0.12)	(0.22)	(0.46)	(0.43)

* The diluted loss per ordinary share is same as the basic (loss)/earning 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.

B14. Trade Receivables

	As at	As at
	30.09.2023	31.12.2022
	RM'000	RM'000
	(unaudited)	(audited)
Trade receivables	34,744	49,630
Less: Impairment losses	(2,851)	(2,851)
	<u>31,893</u>	<u>46,779</u>

The aging analysis of the Group's trade receivables as at 30 September 2023 is as follows:

	As at	As at
	30.09.2023	31.12.2022
	RM'000	RM'000
	(unaudited)	(audited)
No credit terms	-	-
Not past due	1,959	7,568
Past due but not impaired:		
- Less than 30 days	1,600	5,628
- 31- 60 days	2,276	5,058
- more than 60 days	28,909	31,376
Gross trade receivables	34,744	49,630
Less: Allowance for impairment loss	(2,851)	(2,851)
	<u>31,893</u>	<u>46,779</u>

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B14. Trade Receivables (Cont'd)

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

	As at 30.09.2023 RM'000 (unaudited)	As at 31.12.2022 RM'000 (audited)
At beginning of the financial period/year	(2,851)	(460)
Impairment loss recognised	-	(2,708)
Reversal of impairment loss	-	317
At end of the financial period/year	<u>(2,851)</u>	<u>(2,851)</u>

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

CHUA SIEW CHUAN (MAISCA 0777689)

CHENG CHIA PING (MAICSA 1032514)

Company Secretaries

Selangor

28 November 2023