



SEDANIA INNOVATOR BERHAD
[Registration No. 201301044527 (1074350-A)]
(“SIB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2021**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2021

	<i>Quarter Ended</i>			<i>Year-To-Date Ended</i>		
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	Changes %	30 Sep 2021 RM'000	30 Sep 2020 RM'000	Changes %
Revenue	10,252	2,498	>100	38,156	6,387	>100
Other income	1,312	410	>100	3,358	1,416	>100
Cost of sales	(4,675)	(838)	>100	(17,390)	(2,306)	>100
Administration expenses	(4,553)	(2,051)	>100	(13,175)	(9,400)	40
Profit/(Loss) from operations	2,336	19	>100	10,949	(3,903)	>100
Finance costs	(37)	(3)	>100	(116)	(25)	>100
Share of result of associates, net of tax	-	-	(100)	-	(633)	(100)
Profit/(Loss) before taxation	2,299	16	>100	10,833	(4,561)	>100
Taxation	(237)	32	>100	(664)	(166)	>100
Profit/(Loss) for the period, representing total comprehensive income/(loss)	2,062	48	>100	10,169	(4,727)	>100
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
- Owners of the Company	1,240	48	>100	7,919	(4,727)	>100
- Non-controlling interests	822	-	100	2,250	-	100
	2,062	48	>100	10,169	(4,727)	>100
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
- Owners of the Company	1,240	48	>100	7,919	(4,727)	>100
- Non-controlling interests	822	-	100	2,250	-	100
	2,062	48	>100	10,169	(4,727)	>100
Weighted average number of ordinary shares ('000)	347,189	253,456	37	323,201	252,963	28
Earnings/(Loss) per share attributable to the owners of the Company (Sen):						
- Basic	0.36	0.02	>100	2.45	(1.87)	>100
- Diluted	0.36	0.02	>100	2.45	(1.86)	>100

(The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Unaudited as at 30 Sep 2021 RM'000	Audited as at 31 Dec 2020 RM'000
NON-CURRENT ASSET		
Property, plant and equipment	3,507	973
Right-of-use assets	539	752
Lease receivables	5,953	5,953
Deferred tax asset	334	334
	<u>10,333</u>	<u>8,012</u>
CURRENT ASSETS		
Receivables, deposit & prepayments	8,318	9,471
Lease receivables	11,167	677
Inventories	6,655	3
Short term funds	6,946	1,891
Cash and bank balances	10,257	10,826
Current tax asset	219	228
	<u>43,562</u>	<u>23,096</u>
TOTAL ASSETS	<u>53,895</u>	<u>31,108</u>
EQUITY		
Share capital	65,649	52,895
Reserves	(29,506)	(25,159)
Non-controlling interest	5,064	-
TOTAL EQUITY	<u>41,207</u>	<u>27,736</u>
NON-CURRENT LIABILITIES		
Bank borrowing	3,283	375
Lease liabilities	159	520
Deferred tax liabilities	24	6
	<u>3,466</u>	<u>901</u>
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	6,412	2,103
Lease liabilities	428	283
Bank borrowing	2,382	85
	<u>9,222</u>	<u>2,471</u>
TOTAL LIABILITIES	<u>12,688</u>	<u>3,372</u>
TOTAL EQUITY AND LIABILITIES	<u>53,895</u>	<u>31,108</u>
NET ASSETS PER SHARE (Sen)	12.75	9.18

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2021**

	Share Capital RM'000	ESOS Reserve RM'000	Reorganisation Reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
Current year-to-date ended 30 September 2021							
Balance as at 1 January 2021	52,895	119	(10,853)	(14,425)	27,736	-	27,736
Total comprehensive profit	-	-	-	7,919	7,919	2,250	10,169
Adjustments arising from acquisition of a subsidiary	-	-	(12,187)	-	(12,187)	2,814	(9,373)
Transactions with owners:							
Issuance of shares: Private Placement	12,451	-	-	-	12,451	-	12,451
Proceeds from ESOS	303	(115)	-	-	188	-	188
Share options granted under ESOS	-	36	-	-	36	-	36
Balance as at 30 September 2021	65,649	40	(23,040)	(6,506)	36,143	5,064	41,207
Preceding year corresponding period ended 30 September 2020							
Balance as at 1 January 2020	44,557	224	(10,853)	(2,423)	31,505	-	31,505
Total comprehensive loss	-	-	-	(4,727)	(4,727)	-	(4,727)
Transactions with owners:							
Issuance of shares: Proceeds from ESOS	5,840	(221)	-	-	5,619	-	5,619
Share options granted under ESOS	-	94	-	-	94	-	94
Balance as at 30 September 2020	50,397	97	(10,853)	(7,150)	32,491	-	32,491

(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2021

	Current year to date 30 Sep 2021 RM'000	Preceding year to date 30 Sep 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	10,833	(4,561)
Adjustments for:		
Depreciation of property, plant and equipment	273	504
Depreciation of right-of-use assets	207	131
Share options vested under ESOS	36	94
Interest expense	107	14
Interest expense on lease liabilities	9	11
Income distribution from short term funds	(53)	(137)
Interest income from finance lease	(1,621)	(1,076)
Impairment losses on trade & finance lease receivables	1,954	1,723
Impairment on investment in associates	-	443
Reversal of impairment losses on trade receivables	(1,450)	(1)
Share of loss in associates, net of tax	-	633
Unrealised loss on foreign exchange	1	2
Operating profit/(loss) before working capital changes	<u>10,296</u>	<u>(2,220)</u>
Changes in working capital:		
Trade and other receivables	2,790	(3,419)
Inventory	(2,675)	(10)
Lease receivables	(8,494)	2,220
Trade and other payables	953	(144)
	<u>(7,426)</u>	<u>(1,353)</u>
Cash generated/(used) in operations	2,870	(3,573)
Tax paid	(653)	6
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	<u>2,217</u>	<u>(3,567)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(140)	(51)
Income distribution received from short term funds	53	137
Investment in a subsidiary	(11,240)	-
Unrealised loss on foreign exchange	(1)	-
Payment to ultimate holding company in respect of profit guarantee	(1,938)	-
Advance to associate	(333)	(144)
NET CASH USED IN INVESTING ACTIVITIES	<u>(13,599)</u>	<u>(58)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	2,864	(32)
Interest on term loan	(107)	(14)
Repayment of lease liabilities	(194)	(173)
Interest on lease liabilities	(9)	(10)
Proceeds from issuance of shares	12,638	5,618
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>15,192</u>	<u>5,389</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,810</u>	<u>(1,540)</u>

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,393	13,196
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	17,203	11,656
	Current year to date 30 Sep 2021 RM'000	Preceding year to date 30 Sep 2020 RM'000
Cash and cash equivalents comprised the following:		
Cash and bank balances	10,257	2,466
Short term funds	6,946	9,190
	17,203	11,656

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2021

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021.

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020, which have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A2. Significant Accounting Policies

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020 except for the adoption of the following standards that became effective for financial period beginning 1 January 2021:

Title	Effective Date
Amendments to MFRS 16 <i>Covid-19 Related Rent Concessions</i>	1 June 2020 (early adoption)
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021

The adoption of the above standards does not have any significant impacts to the current financial period.

Standards issued but not yet effective

The Group has not adopted the following pronouncements that have been issued but not yet effective:

Title	Effective Date
Amendments to MFRS 16 <i>Covid-19 Related Rent Concessions beyond 30 June</i>	1 April 2021
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

A3. Auditors’ report of preceding annual financial statements

There was no qualification to the audited financial statements of the Group for the financial year ended (“FYE”) 31 December 2020.

A4. Seasonal or cyclical factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

A6. Material changes in estimates

Not applicable as there were no estimates reported in the prior financial years.

A7. Debt and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 30 September 2021.

A8. Segmental information

For management purposes, the Group is organised into five (5) operating segments which reflect the internal organisational and management structure according to the nature of the products and services provided. We measure the results of our segments using, among other measures, each segment's net revenue and operating income, which includes certain corporate overhead allocations.

a) Health Technology (“HealthTech”)

Provision of consumer products specialising in healthcare, personal care, household as well as baby and childcare products; and health technologies specialising in preventative healthcare technology solutions.

- b) Financial Technology (“FinTech”)
 - Provision of financial technology solutions for the banking industry.
- c) Green technology (“GreenTech”) solutions
 - Provision of green technology and internet of things (“IoT”) solutions for sustainable and environmentally friendly products and services. We decided to combine GreenTech and IoT due to their inherent technology connectivity nature especially in monitoring, management, automation and data insights.
- d) Sharing platform (“TelcoTech”)
 - Providing the technology on Airtime sharing for telecommunication providers.
- e) Others
 - Others mainly comprise provision of big data analytics services and operations relating to investment holding.

Segment assets and liabilities exclude current and deferred tax assets and liabilities.

The Group’s segmental analysis by operating segments are as follows:

	3 months ended		9 months ended	
	30 Sep 2021 RM’000	30 Sep 2020 RM’000	30 Sep 2021 RM’000	30 Sep 2020 RM’000
Segment revenue				
HealthTech	7,880	-	19,619	-
FinTech	972	1,170	3,052	2,785
GreenTech Solutions	848	728	13,754	1,831
TelcoTech	552	597	1,721	1,768
Others	-	3	10	3
Total revenue	10,252	2,498	38,156	6,387
Segment operating profit/(loss) before tax				
HealthTech	1,874	-	5,141	-
FinTech	119	481	583	158
GreenTech Solutions	763	(693)	6,193	(2,980)
TelcoTech	(35)	425	259	417
Others	(422)	(197)	(1,343)	(2,156)
Operating profit /(loss) before tax	2,299	16	10,833	(4,561)

	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Segment Assets		
HealthTech	17,475	-
FinTech	4,012	3,302
GreenTech Solutions	20,422	13,778
TelcoTech	4,562	9,211
Others	6,871	9,348
Total Assets	53,342	35,639
Segment Liabilities		
HealthTech	5,758	-
FinTech	309	446
GreenTech Solutions	2,980	873
TelcoTech	1,465	2,030
Others	2,152	281
Total Liabilities	12,664	3,630

The Group's revenue based on geographic location of its customers are as follows:-

	3 months ended		9 months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Malaysia	7,599	2,498	32,510	6,387
Asian countries other than Malaysia	1,119	-	2,377	-
Russia	1,111	-	2,509	-
Others	423	-	760	-
Total	10,252	2,498	38,156	6,387

Year to date revenue from Malaysia, Asian countries other than Malaysia, Russia and Others contributed to approximately 85.20%, 6.23%, 6.58% and 1.99% respectively of the Group's total revenue.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current quarter.

A10. Capital commitment

There was no capital commitment recognised by the Group for the current quarter.

A11. Changes in the composition of the Group

On 2 November 2020, the Company announced that it had entered into a shares sale agreement ("SSA") with Sedania Corporation Sdn Bhd ("SedaniaCorp") for the acquisition of 51% equity interest in Offspring Inc Sdn Bhd ("Offspring"), for a total Purchase Consideration of RM15,116,400 to be fully satisfied by cash, and

proposed to diversify the business of SIB and its subsidiaries (“SIB Group”) to include the following business activities:

- (a) consumer products specialising in healthcare, personal care, household as well as baby and childcare products; and
- (b) health technologies specialising in preventive healthcare technology solutions

On 4 January 2021, the Group has completed its acquisition of Offspring from SedaniaCorp. A payment of RM11,240,400 has been made to SedaniaCorp and a security of RM3,876,000 has been retained by the Company pursuant to the SSA. SedaniaCorp had guaranteed that Offspring will achieve actual Profit After Tax (“PAT”) of RM3,800,000 per annum for the financial years ending (“FYE”) 31 December 2020 and 2021. First tranche of the security amounting to RM1.938 million was released on 15 June 2021 to SedaniaCorp for attainment of the FYE 31 December 2020’s profit guarantee. The new subsidiary is included under the Health Technology segment.

A12. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual reporting period date up to the date of this report.

A13. Material events subsequent to the end of the quarter

Save as disclosed in Note B6, there were no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

A14. Significant related party transaction

There was no significant related party transaction entered into during the current quarter.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Group's Financial Performance Review and Segmental Analysis

Overall review of the Group's financial performance

	3 months ended			9 months ended		
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	Changes %	30 Sep 2021 RM'000	30 Sep 2020 RM'000	Changes %
Revenue	10,252	2,498	>100	38,156	6,387	>100
Operating Profit/(Loss)	2,336	19	>100	10,949	(3,903)	>100
Profit/(Loss) Before Interest and Tax	2,336	19	>100	10,949	(3,903)	>100
Profit/(Loss) Before Tax	2,299	16	>100	10,833	(4,561)	>100
Profit/(Loss) After Tax for the Period	2,062	48	>100	10,169	(4,727)	>100
Profit/(Loss) After Tax and Non-controlling Interest for the Period	1,240	48	>100	7,919	(4,727)	>100

(i) Statement of Profit and Loss and Other Comprehensive Income

Group revenue for 3Q 2021 was RM10.25 million, an increase of RM7.75 million from RM2.50 million compared to 3Q 2020. The increase was mainly due to higher revenue from the HealthTech and GreenTech segments.

The Group recorded an operating profit before tax of RM2.30 million in 3Q 2021 as compared to an operating profit before tax of RM0.02 million in 3Q 2020.

Group profit after tax in 3Q 2021 was RM2.06 million compared to a profit after tax of RM0.05 million in 3Q 2020.

For 3Q 2021, the Group recorded a profit after tax and non-controlling interest of RM1.24 million as compared to profit after tax of RM0.05 million for the preceding year corresponding quarter. The improvement in results is mainly due to positive contributions from the HealthTech and GreenTech segments.

A segmental breakdown and analysis by operating segments are provided under item A8 and "Segmental Analysis" below.

(ii) Statement of Financial Position

As at 30 September 2021, total equity attributable to the owners of the Company was RM41.20 million as compared to RM27.74 million as at 31 December 2020.

Total assets as at 30 September 2021 increased by 73.25% to RM53.89 million from RM31.11 million as at 31 December 2020 mainly due to increased lease receivables from the GreenTech and inventories from the HealthTech segments in the current period end.

Total liabilities increased from RM3.37 million as at 31 December 2020 to RM12.69 million as at 30 September 2021. The increase in total liabilities was driven mainly by an increase in trade and other payables as well as bank borrowings in the current period end.

(iii) Statement of Cash Flows

The Group recorded a net cash inflow of RM3.81 million as at 30 September 2021. As at 30 September 2021, the Group had short-term deposits and bank balances of RM17.20 million, borrowings of RM5.67 million and lease liabilities of RM0.59 million.

For the nine (9) months ended 30 September 2021, the net cash generated from operating activities of the Group was RM2.22 million during the period as compared to RM3.57 million used in the previous corresponding period in 2020.

Net cash used in investing activities was RM13.60 million in the nine (9) months ended 30 September 2021, as compared to RM0.06 used in the previous corresponding period in 2020.

Net cash generated from financing activities was RM15.19 million during the period against RM5.39 million generated for the corresponding period in 2020.

Segmental analysis

a. Current quarter ended 30 September 2021 (“3Q 2021”) compared with the previous corresponding quarter ended 30 September 2020 (“3Q 2020”):

HealthTech

In 3Q 2021, HealthTech segment revenue was RM7.89 million or 76.86% of the Group’s total revenue.

The segment recorded an operating profit before tax of RM1.87 million in the current quarter, representing 81.51% of the Group’s total operating profit before tax.

No comparative against Q3 2020 is presented since the acquisition of this segment was only completed in Q1 2021.

FinTech

In 3Q 2021, FinTech segment revenue was RM0.97 million, a decrease of RM1.98 million from RM1.17 million in 3Q 2020. This was mainly due to lower traffic from its Tawarruq platform in the current quarter under review.

The segment recorded an operating profit before tax of RM0.12 million in the current quarter, as compared to a RM0.48 operating profit before tax in 3Q 2020.

Green Technology solutions

The GreenTech segment recorded a revenue of RM0.85 million in 3Q 2021 as compared to RM0.73 million in 3Q 2020.

The segment recorded an operating profit before tax of RM0.76 million in 3Q 2021 as compared to segment operating loss before tax of RM0.69 million in 3Q 2020. This was largely contributed from a reversal of impairment loss on receivables recognised in 3Q 2021 as other income.

TelcoTech

TelcoTech recorded revenue of RM0.55 million in 3Q 2021, a decrease of 7.54% from the same period last year. Despite pandemic concerns and extended movement control order periods that have widespread effects on other businesses across the country, the segment had sustained its transactional revenue in the current quarter.

The segment recorded an operating loss before tax of RM0.04 million in 3Q 2021 as compared to RM0.43 million operating profit before tax in 3Q 2020.

Others

This segment comprises operations relating to investment holding company and the Big Data Analytics solutions.

The segment recorded an operating loss before tax of RM0.42 million in 3Q 2021 as compared to a segment operating loss before tax of RM0.20 million in 3Q 2020. This was due to common operating expenses/indirect cost allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Changes + / (-) %
	30 Sep 2021 RM'000	30 Jun 2021 RM'000	
Revenue	10,252	10,836	(5)
Operating Profit/(Loss) Before Interest and Tax	2,336	3,500	(33)
Profit/(Loss) Before Tax	2,299	3,451	(33)
Profit/(Loss) After Tax for the Period	2,062	3,215	(36)
Profit/(Loss) After Tax and Non-controlling Interest For the Period	1,240	2,466	(50)

The Group recorded a revenue of RM10.25 million during the quarter under review against a revenue of RM10.84 million as compared to the immediate preceding quarter. Total revenue decreased in comparison with the immediate preceding quarter mainly due to lower revenue contributions from the GreenTech and FinTech segments.

The table below gives information about the movement in the Group's revenue, compared to the preceding quarter.

	30 Sep 2021 RM'000	30 Jun 2021 RM'000	Changes + / (-) %
Segment revenue			
HealthTech	7,880	6,402	23
FinTech	972	1,118	(13)
GreenTech Solutions	848	2,744	(69)
TelcoTech	552	572	(3)
Others	-	-	-
Total revenue	10,252	10,836	(5)

As such, the Group recorded a profit after tax and non-controlling interest of RM1.24 million in the current quarter compared to profit after tax and non-controlling interest of RM2.47 million in the immediate preceding quarter.

B3. Prospects for 2021

The ongoing COVID-19 pandemic continues to disrupt the normal operation of economies globally. During the current financial quarter, the Group's operations were affected by the nationwide lockdown from June to early August 2021. The Group's business operations environment remains challenging during the quarter under review.

As such, the Group remains committed to improving its long term strategy, managing efficiency and reinforcing costs optimisation efforts to ensure business sustainability.

The Group is also committed to strengthen its existing business portfolios. Moving forward, the Board of Directors remain cautiously optimistic to deliver an encouraging performance for the financial year ending 31 December 2021.

B4. Profit forecast

The Group has not issued any profit forecast in any public documents.

B5. Taxation

	3 months ended		9 months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Tax expense recognised in profit or loss:				
Current tax provision	237	(32)	664	166
Deferred Tax:				
Relating to origination of Temporary Difference	-	-	-	-
Tax expense for the financial period	237	(32)	664	166

B6. Status of corporate proposals and utilisation of proceeds

- (i) The Group undertook a private placement of up to 20% of the total number of issued shares of SIB based on a shareholders' mandate procured pursuant to Section 75 and Section 76 of the Companies Act, 2016 approved by its shareholders at the Company's 6th Annual General Meeting convened on 29 June 2020 ("Proposed Private Placement"). On 23 October 2020, approximately 25% of the proposed private placement was completed via issuance of 14,500,000 new shares at RM0.132 each – raising a gross proceed of RM1.91 million. On 28 May 2021, approximately 75% of the balance proposed private placement was completed via issuance of 43,533,400 new shares at RM0.286 each – raising a gross proceed of RM12.45 million.

As at the date of this report, the proceeds from the Private Placement have been utilised in the following manner:

Purpose	Proposed utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation	Explanations (if the deviation is 5% or more)	
	RM'000	RM'000		RM'000	%	
Green Technology Solutions ("GreenTech") segment	6,079	2,264	Within 12 months	3,815	63	(1)
General working capital	7,786	7,156	Within 12 months	880	11	(a)
Private Placement expenses	500	250	Within 1 month	-	-	(b)
Total gross proceeds	14,365	9,670		4,695	52	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcements made by the Company dated 18 September 2020, 2 October 2020, 6 October 2020 and 31 May 2021.

Explanation:

- (1) *The Group's GreenTech energy saving devices installation works are still in progress.*

Notes:

- (a) *The general working capital allocated from this round of Private Placement has not been fully utilised as at the date of this report.*
- (b) *The actual expenses incurred for the Private Placement were lower than the estimated expense. Hence the balance of unutilised Private Placement proceeds of RM0.25 million has been re-allocated to working capital of the Group.*

There were no other corporate proposals, which have been announced but not completed as at 30 November 2021, being the date of this report.

B7. Borrowings

The Group's borrowings as at the end of this financial period are as follows:

	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Current liabilities		
Term loan (secured)	614	85
Revolving credit	500	-
Trade facilities	1,268	-
	<u>2,382</u>	<u>85</u>
Non-current liabilities		
Term loan (secured)	3,283	389
	<u>3,283</u>	<u>389</u>
Total borrowings	<u>5,665</u>	<u>474</u>

Note: The term loan is secured by a first legal charge against the Group's office premises.

B8. Material litigation

Kuala Lumpur High Court ("KLHC") Summon No. WA-22NCvC-879-11/2019 between Sedania Technologies Sdn. Bhd. (formerly known as IDOTTV Sdn. Bhd.)("the Plaintiff") vs (1) Professional Science Technologies Sdn. Bhd. ("1st Defendant") and (2) Encik Muzir Bin Md Zanib ("2nd Defendant")(collectively referred to as "the Defendants")

The Plaintiff and the Defendants had on 10 June 2021 entered into a Settlement Agreement for the Plaintiff to accept the sum of Ringgit Malaysia: One Million and Five Hundred Thousand (RM1,500,000.00) only as full and final settlement of the Judgment Sum ("Settlement Sum") in the following manner subject to the terms and conditions as stipulated in the Settlement Agreement:-

1. to pay the Plaintiff the sum of Ringgit Malaysia: One Million (RM1,000,000.00) only being the partial payment of the Settlement Sum on or before 31 May 2021 in a form of banker's cheque;
2. to pay the Plaintiff the sum of Ringgit Malaysia: Five Hundred Thousand (RM500,000.00) only being the final balance of the Settlement Sum on or before 26 August 2021 in a form of post-dated cheque; and
3. there shall be no further interest and costs payable to the Plaintiff.

The Defendant's solicitor had filed a Notice of Discontinuance in relation the Notice of Appeal filed at Court of Appeal : Civil Appeal No, : W-02(IM)(NCvC)-1216-09/2020 and Notice of Application for stay of execution at Kuala Lumpur High Court Civil Suit No. WA-22NCvC-879-11/2019, both on 31 May 2021.

Payment for the first RM1,000,000 of the Settlement Sum has been received by the Plaintiff on 10 June 2021. The RM500,000 final balance from the Settlement Sum has been received by the Plaintiff on 26 August 2021.

Save as disclosed above, there has been no significant change in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries during the current quarter under review.

B9. Dividends

No dividend has been paid, declared or proposed during the quarter under review.

B10. Earnings per share

(a) Basic earnings per share

The earnings per share are calculated by dividing the net profit/(loss) attributable to ordinary owners of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months ended		9 months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Profit/(Loss) attributable to the owners of the Company (RM'000)	1,240	48	7,919	(4,727)
Weighted average number of ordinary shares in issue ('000)	347,189	253,456	323,201	252,963
Basic earnings/(loss) per share (sen)	0.36	(0.02)	2.45	(1.87)

(b) Diluted earnings per share

The diluted earnings per share are calculated by dividing the net profit/(loss) attributable to ordinary owners of the Company by the weighted average number of ordinary shares in issue during the period, adjusted for the dilutive effects of potential ordinary shares from share options granted pursuant to the Employees' Share Option Scheme ("ESOS").

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	3 months ended		9 months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
Profit/(Loss) attributable to the owners of the Company (RM'000)	1,240	48	7,919	(4,727)
Weighted average number of ordinary shares in issue ('000)	347,189	253,456	323,201	252,963
Effect of dilution from share options ('000)	413	733	413	733
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	347,602	251,189	323,614	253,696
Diluted earnings/(loss) per share (sen)	0.36	(0.02)	2.45	(1.86)

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

Included in profit before taxation are the following expense/(income) items:

	3 months ended	3 months ended	9 months ended	9 months ended
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Depreciation of property, plant and equipment	75	123	273	504
Depreciation of right-of-use assets	69	43	207	131
Loss on foreign exchange				
- realised	-	-	-	-
- unrealised	-	-	1	2
Income distribution received from short term funds	(39)	(30)	(53)	(137)
Interest income from finance lease	(528)	(337)	(1,621)	(1,076)
Impairment losses on trade & finance lease receivables	485	207	1,954	1,723
Interest expense	37	3	116	25
Reversal of impairment losses on trade receivables	(450)	(1)	(1,450)	(1)

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)
CHENG CHIA PING (MAICSA 1032514)
 Company Secretaries

Kuala Lumpur
 30 November 2021