



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

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2023**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2023

	Quarter Ended			Year-To-Date Ended		
	30 Jun 2023 RM'000	30 Jun 2022 RM'000	Changes %	30 Jun 2023 RM'000	30 Jun 2022 RM'000	Changes %
Revenue	12,167	9,084	34	23,828	18,123	31
Other income	605	2,587	(77)	2,035	3,281	(38)
Cost of sales	(5,406)	(5,581)	(3)	(11,572)	(10,331)	12
Administration expenses	(5,357)	(4,677)	15	(10,397)	(8,721)	19
Profit from operations	2,009	1,413	42	3,894	2,352	66
Finance costs	(210)	(94)	>100	(426)	(204)	>100
Share of result of associates, net of tax	77	-	>100	235	-	>100
Profit before taxation	1,876	1,319	42	3,703	2,148	72
Taxation	(303)	(663)	(54)	(510)	(982)	(48)
Profit for the period, representing total comprehensive income	1,573	656	>100	3,193	1,166	>100
NET PROFIT ATTRIBUTABLE TO:						
- Owners of the parent	1,560	530	>100	2,969	813	>100
- Non-controlling interests	13	126	(91)	224	353	(37)
	1,573	656	>100	3,193	1,166	>100
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
- Owners of the parent	1,560	530	>100	2,969	813	>100
- Non-controlling interests	13	126	(91)	224	353	(37)
	1,573	656	>100	3,193	1,166	>100
Weighted average number of ordinary shares ('000)	347,352	347,149	0.1	347,352	347,149	0.1
Earnings per share attributable to the owners of the parent (Sen):						
- Basic	0.45	0.15	>100	0.85	0.23	>100
- Diluted	0.45	0.15	>100	0.85	0.23	>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 2022 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Unaudited as at 30 Jun 2023 RM'000	Audited as at 31 Dec 2022 RM'000
NON-CURRENT ASSET		
Property, plant and equipment	3,256	3,217
Right-of-use assets	2,133	1,563
Intangible asset	92	98
Contract assets	13,045	13,045
Deferred tax asset	827	762
Investment in associate	3,236	-
	<u>22,589</u>	<u>18,685</u>
CURRENT ASSETS		
Receivables, deposit & prepayments	15,948	11,155
Contract assets	2,977	3,381
Inventories	5,785	9,377
Short term funds	38	3,013
Cash and bank balances	9,533	11,477
Current tax asset	927	670
	<u>35,208</u>	<u>39,073</u>
TOTAL ASSETS	<u>57,797</u>	<u>57,758</u>
EQUITY		
Share capital	65,712	65,712
Reserves	(25,511)	(28,513)
Non-controlling interest	4,454	4,230
TOTAL EQUITY	<u>44,655</u>	<u>41,430</u>
NON-CURRENT LIABILITIES		
Bank borrowing	7,245	7,245
Lease liabilities	1,058	1,080
Deferred tax liabilities	8	8
	<u>8,311</u>	<u>8,333</u>
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	2,719	2,996
Lease liabilities	940	654
Bank borrowing	1,172	4,339
Current tax liability	-	6
	<u>4,832</u>	<u>7,995</u>
TOTAL LIABILITIES	<u>13,142</u>	<u>16,328</u>
TOTAL EQUITY AND LIABILITIES	57,797	57,758
Weighted average number of ordinary shares ('000)	347,352	347,263
NET ASSETS PER SHARE (Sen)	12.86	11.93

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2023**

	Share Capital	ESOS Reserve	Reorganisation Reserve	Retained earnings	Total	Non- controlling interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 June 2023							
Balance as at 1 January 2023	65,712	114	(24,440)	(4,187)	37,199	4,230	41,429
Total comprehensive income	-	-	-	2,969	2,969	224	3,193
Transactions with owners:							
Share options vested under ESOS	-	33	-	-	33	-	33
Balance as at 30 June 2023	65,712	147	(24,440)	(1,218)	40,201	4,454	44,655
Preceding year corresponding period ended 30 June 2022							
Balance as at 1 January 2022	65,649	50	(24,439)	(4,956)	36,304	4,627	40,931
Total comprehensive income	-	-	-	813	813	353	1,166
Transactions with owners:							
Share options vested under ESOS	-	9	-	-	9	-	9
Dividends	-	-	-	-	-	(980)	(980)
Balance as at 30 June 2022	65,649	59	(24,439)	(4,143)	37,216	4,000	41,126

(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 2022 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2023

	Current year to date 30 Jun 2023 RM'000	Preceding year to date 30 Jun 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,703	2,148
Adjustments for:		
Depreciation of property, plant, and equipment	117	140
Depreciation of right-of-use assets	392	363
Amortisation of intangible assets	6	8
Share options granted under ESOS	33	9
Interest expense on term loan	308	174
Interest expense on lease liabilities	58	30
Interest expense on letter of credit	60	-
Income distribution from short term funds	(17)	(44)
Unrealised gain from investment in short term funds	(30)	-
Interest income on contract assets	(873)	(928)
Reversal of impairment losses on trade receivables	(699)	(2,202)
Gain on disposal of property, plant and equipment	(230)	-
Share of results in associate	(235)	-
Operating profit /(loss) before working capital changes	<u>2,593</u>	<u>(302)</u>
Changes in working capital:		
Trade and other receivables	(2,804)	(3,568)
Inventory	3,591	1,119
Contract assets	1,277	1,920
Trade and other payables	<u>(1,247)</u>	<u>2,007</u>
	<u>817</u>	<u>1,478</u>
Cash generated from operations	3,410	1,176
Tax paid	(838)	(982)
NET CASH GENERATED IN OPERATING ACTIVITIES	<u>2,572</u>	<u>194</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(156)	(64)
Income distribution received from short term funds	17	44
Investment in an associate	(3,000)	(436)
Payment to ultimate holding company in respect of profit guarantee	-	(1,938)
NET CASH USED IN INVESTING ACTIVITIES	<u>(3,139)</u>	<u>(2,394)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	1,130
Repayment of term loan	(3,167)	(173)
Repayment of lease liabilities	(759)	(361)
Interest paid	(426)	(203)
Dividend paid	-	(980)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES	<u>(4,352)</u>	<u>(587)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(4,919)</u>	<u>(2,787)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>14,490</u>	<u>13,307</u>

CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	9,571	10,520
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Cash and cash equivalents comprised the following:

Cash and bank balances	9,533	4,482
Short term funds	38	6,038
	<u>9,571</u>	<u>10,520</u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2023

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2023.

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 2022, 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 significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

a) New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial period.

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - <i>Comparative Information</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

b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2024.

The following are standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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 2022.

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 the 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, or repayments of debt and equity securities in the current quarter and the financial period ended 30 June 2023.

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) Sustainable Healthcare

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) Sustainable Energy

Provision of green technology and internet of things (“IoT”) solutions for sustainable and environmentally friendly products and services.

- c) Financial Technology (“FinTech”)
 - Provision of financial technology solutions for the banking industry.
- d) Telco Technology (“TelcoTech”)
 - Providing the technology on Airtime sharing for telecommunication providers.
- e) Others
 - Others mainly comprise the 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 is as follows:-

	3 months ended		6 months ended	
	30 Jun 2023 RM'000	30 Jun 2022 RM'000	30 Jun 2023 RM'000	30 Jun 2022 RM'000
Segment revenue				
Sustainable Healthcare	7,587	7,104	16,833	14,427
Sustainable Energy	2,356	124	2,396	179
FinTech	1,813	1,203	3,901	2,350
TelcoTech	411	653	698	1,167
Total revenue	12,167	9,084	23,828	18,123

Segment operating profit/(loss) before tax

Sustainable Healthcare	126	854	616	1,568
Sustainable Energy	943	714	1,068	663
FinTech	641	371	1,643	785
TelcoTech	162	(195)	269	(214)
Others	4	(425)	107	(654)
Operating profit before tax	1,876	1,319	3,703	2,148

	30 Jun 2023 RM'000	30 Jun 2022 RM'000
Segment Assets		
Sustainable Healthcare	15,534	16,174
Sustainable Energy	29,818	22,587
FinTech	3,301	5,010
TelcoTech	657	3,837
Others	6,733	3,149
Total Assets	56,043	50,757

Segment Liabilities

Sustainable Healthcare	4,725	5,540
Sustainable Energy	6,790	2,483
FinTech	1,093	287
TelcoTech	217	1,385
Others	309	238
Total Liabilities	13,134	9,933

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

	3 months ended		6 months ended	
	30 Jun 2023 RM'000	30 Jun 2022 RM'000	30 Jun 2023 RM'000	30 Jun 2022 RM'000
Malaysia	10,697	7,377	19,021	14,541
Asian countries other than Malaysia	537	643	2,158	1,537
Europe	933	908	2,649	1,820
Others	-	156	-	225
Total	12,167	9,084	23,828	18,123

Year-to-date revenue from Malaysia, Asian countries other than Malaysia and Europe contributed to approximately 79.83%, 9.05%, and 11.12% 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 28 December 2022, the Company announced that it had entered into a Share Sale Agreement ("SSA") with Encik Ariffin Bin Sabirin for the acquisition of 34,000 ordinary shares ("Sale Shares") in Wasiyyah Shoppe Berhad ("WSB"), a company incorporated in Malaysia, representing a 20% equity interest in WSB, for a purchase consideration of RM3,000,000.00 to be fully satisfied by cash.

Upon completion of the acquisition on 1 March 2023, WSB became an associate company of Sedania Group and the Company's equity interest in WSB is accounted for using the equity method in the Company's financial statements in accordance with MFRS 128.

Save as disclosed, there were no changes in the composition of the Group in the current quarter.

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

Save as disclosed, no significant related party transaction was 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			6 months ended		
	30 Jun 2023 RM'000	30 Jun 2022 RM'000	Changes %	30 Jun 2023 RM'000	30 Jun 2022 RM'000	Changes %
Revenue	12,167	9,084	34	23,828	18,123	31
Operating Profit	2,009	1,413	42	3,894	2,352	66
Profit Before Interest and Tax	2,009	1,413	42	3,894	2,352	66
Profit Before Tax	1,876	1,319	42	3,703	2,148	72
Profit After Tax for the Period	1,573	656	>100	3,193	1,166	>100
Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	1,560	530	>100	2,969	813	>100

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

Group revenue for 2Q 2023 was RM12.17 million, an increase of 34% from RM9.08 million in 2Q 2022. This was primarily contributions from Sustainable Energy and FinTech during the quarter under review.

Consequently, the Group recorded an operating profit before tax of RM1.88 million as compared to an operating profit before tax of RM1.32 million in 2Q 2022.

For 2Q 2022, the Group recorded a profit after tax and non-controlling interest of RM1.56 million as compared to a profit after tax of RM0.53 million for the preceding year's corresponding quarter.

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 June 2023, total equity attributable to the owners of the Company was RM44.66 million as compared to RM41.43 million as at 31 December 2022.

Total assets slightly increased to RM57.80 million on 30 June 2023 as compared to RM57.76 million on 31 December 2022. This was primarily due to an increase in total receivables, deposits, and prepayments from RM11.16 million on 31 December 31 2022 to RM15.95 million on 30 June 2023. However, the increase was offset by a decrease in short-term funds, inventory, and cash and bank balances as compared to 31 December 2022.

Total liabilities decreased from RM16.33 million as at 31 December 2022 to RM13.14 million as of 30 June 2023. The decrease in total liabilities was mainly

due to the decrease in short term bank borrowings in the current period as a result of term loan repayments.

(iii) Statement of Cash Flows

As at 30 June 2023, the Group recorded a net cash outflow of RM4.92 million. The Group has RM9.57 million in short-term deposits and bank balances, RM8.42 million in borrowings, and RM1.99 million in lease liabilities.

For the six (6) months ended 30 June 2023, the net cash generated in operating activities was RM2.57 million compared to RM0.19 million generated in the previous corresponding period 2022.

Net cash used in investing activities was RM3.14 million in the six (6) months ended 30 June 2023, as compared to RM2.39 million used in the previous corresponding period in 2022 mainly due to an investment in an associate company.

During the period, net cash used in financing activities was RM4.35 million as opposed to net cash used in financing activities of RM0.59 million from the same period in 2022 mainly due to repayment of trade facilities.

Segmental analysis

a. Current quarter ended 30 June 2023 (“2Q 2023”) compared with the previous corresponding quarter ended 30 June 2022 (“2Q 2022”):

Sustainable Healthcare

In 2Q 2023, the Sustainable Healthcare segment revenue was RM7.59 million, an increase of 6.79% or RM0.48 million compared to 2Q 2022.

The segment recorded an operating profit before tax of RM0.13 million in the current quarter as compared to the segment operating profit before tax of RM0.85 million in 2Q 2022. The decline was mostly caused by increasing costs for marketing and promotion for brand-building activities, employee benefits as a result of hiring more people to support business growth and related expenses.

Sustainable Energy

The Sustainable Energy segment recorded a revenue of RM2.36 million in 2Q 2023 as compared to RM0.12 million in 2Q 2022. This was mainly contributed from the recognition of contract assets under its Energy Performance Contract with a telecommunications company in the current quarter compared to 2Q 2023. Other revenue from this segment was a continuation of existing maintenance and servicing contracts with a partner in providing energy-saving solutions for a financial institution and a telecommunications company.

As a result, the segment recorded an operating profit before tax of RM0.94 million in 2Q 2023, compared to the segment operating profit before tax of RM0.71 million in 2Q 2022.

FinTech

Revenue for the FinTech segment in 2Q 2023 was RM1.81 million, an increase of 50.71% from 2Q 2022. The significant traffic from its Tawarruq and Go Halal platforms as compared to 2Q 2022 were the biggest contributors to the revenue growth.

The segment recorded an operating profit before tax of RM0.64 million in the current quarter, compared to an RM0.37 million operating profit before tax in 2Q 2022.

TelcoTech

TelcoTech platform recorded a revenue of RM0.41 million in 2Q 2023, a decrease of 37.06% from the same period last year. This was mostly due to decreased sharing platform transactions recorded in 2Q 2023 compared to 2Q 2022.

The segment recorded an operating profit before tax of RM0.16 million in 2Q 2023 as compared to RM0.19 million operating loss before tax in 2Q 2022.

Others

This segment comprises operations relating to investment holding company.

The segment recorded a segment operating profit before tax of RM0.004 million in 2Q 2023 as compared to a segment operating loss of RM0.43 million in 2Q 2022. This was primarily due to an RM0.08 million share of profit in an associate during the quarter under review.

B2. Comparison with the immediate preceding quarter's results

	Quarter ended		Changes %
	30 Jun 2023 RM'000	31 Mar 2023 RM'000	
Revenue	12,167	11,660	4
Operating Profit Before Interest and Tax	2,009	1,885	7
Profit Before Tax	1,876	1,827	3
Profit After Tax for the Period	1,573	1,620	(3)
Profit After Tax and Non-controlling Interest For the Period	1,560	1,408	11

Revenue for the quarter ended 30 June 2023 increased by 4% as compared to the immediate preceding quarter ended 31 March 2023. The following table shows the revenue breakdown comparison with the immediate preceding quarter:-

	30 Jun 2023 RM'000	31 Mar 2023 RM'000	Changes + / (-) %
Segment revenue			
Sustainable Healthcare	7,587	9,245	(18)
Sustainable Energy	2,356	40	>100
FinTech	1,813	2,089	(13)
TelcoTech	411	286	44
Total revenue	12,167	11,660	4

The Group recorded a profit after tax and non-controlling interest of RM1.56 million in the current quarter compared to a profit after tax and non-controlling interest of RM1.41 million in the immediate preceding quarter.

B3. Prospects for the current financial year

In 2023 we aim to grow further across all our business segments. Our Sustainable Healthcare subsidiary under the Offspring brand looks set to continue expanding into more highly populous markets while growing our average basket of eco-friendly products sold in the over 20 countries we are currently in.

Our FinTech division is heading towards another exciting year as it continues to grow its portfolio of Shariah-compliant FinTech solutions for financial services institutions (“FSIs”). We are hopeful that more FSIs will come onboard our services which will help them offer unique products and services to end-users.

On the Sustainable Energy front, we currently possess a pipeline of energy efficiency and renewable energy projects where healthy streams of revenue will consistently be recognised.

This would be complemented by our target to become a larger enabler of energy sustainability for companies as we proactively look to obtain more new contracts from companies across various industries such as manufacturing, commercial, and hospitality.

B4. Profit forecast

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

B5. Taxation

	3 months ended		6 months ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax expense recognised in profit or loss:				
Current tax provision	303	663	510	982
Tax expense for the financial period	303	663	510	982

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B6. Status of corporate proposals and utilisation of proceeds

On 20 July 2023, the Company announced that it proposes to undertake a private placement exercise (“Private Placement”) of up to 10% of the total number of issued shares of SIB based on a shareholders’ mandate procured pursuant to Sections 75(1) and 76(1) of the Companies Act 2016 approved by its shareholders at the Company’s 9th Annual General Meeting convened on 24 May 2023 (“Proposed Private Placement”). On 3 August 2023, Bursa Securities had approved the listing and quotation of up to 36,518,905 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to conditions.

As of the date of this report, no third-party investor has taken up the private placement.

There is no other corporate proposal, which has been announced but not completed as of 29 August 2023, being the date of this report.

B7. Borrowings

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

	30 Jun 2023 RM’000	30 Jun 2022 RM’000
Current liabilities		
Term loan (secured)	502	667
Revolving credit	500	500
Trade finance products	170	1,130
	<u>1,172</u>	<u>2,297</u>
Non-current liabilities		
Term loan (secured)	7,245	3,313
	<u>7,245</u>	<u>3,313</u>
Total borrowings	<u>8,417</u>	<u>5,610</u>

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

B8. Material litigation

There were no pending material litigations against the Group which might materially and adversely affect the Group’s financial position.

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		6 months ended	
	30 June 2023	30 Jun 2022	30 June 2023	30 Jun 2022
Profit attributable to the owners of the Company (RM'000)	1,560	530	2,969	813
Weighted average number of ordinary shares in issue ('000)	347,352	347,189	347,352	347,189
Basic earnings per share (sen)	0.45	0.15	0.85	0.23

(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").

	3 months ended		6 months ended	
	30 June 2023	30 Jun 2022	30 June 2023	30 Jun 2022
Profit attributable to the owners of the Company (RM'000)	1,560	530	2,969	813
Weighted average number of ordinary shares in issue ('000)	347,352	347,189	347,352	347,189
Effect of dilution from share options ('000)	-*	364	-*	364
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	347,352	347,553	347,352	347,553
Diluted earnings per share (sen)	0.45	0.15	0.85	0.23

*17,837,000 ESOS options are not included in the computation of the weighted average number of equity shares for calculating diluted earnings per share in 2023 since their impact is anti-dilutive because the average market price in 2023 was lower than the ESOS offer price.

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 30 Jun 2023 RM'000	3 months ended 30 Jun 2022 RM'000	6 months ended 30 Jun 2023 RM'000	6 months ended 30 Jun 2022 RM'000
Depreciation of property, plant and equipment	59	69	117	140
Depreciation of right-of-use assets	203	182	392	363
Amortisation of intangible assets	3	5	6	8
(Gain)/Loss on foreign exchange - realised	(23)	(36)	(70)	(81)
Income distribution received from short term funds	(7)	(21)	(17)	(44)
Unrealised gain from investment in short term funds	(9)	-	(30)	-
Interest income on contract assets	(457)	(454)	(873)	(928)
Interest expense	210	94	426	204
Reversal of impairment losses on trade receivables	(79)	(2,052)	(699)	(2,202)

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

CHENG CHIA PING (MAICSA 1032514)

Company Secretaries

Kuala Lumpur

29 August 2023