



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

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2021**

Contents	Page
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	2
Unaudited Condensed Consolidated Statement of Financial Position	3
Unaudited Condensed Consolidated Statement of Changes in Equity	4
Unaudited Condensed Consolidated Statement of Cash Flows	5-6
Notes to the Condensed Consolidated Financial Report	7

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2021

	<i>Quarter Ended</i>			<i>Year-To-Date Ended</i>		
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	Changes %	31 Mar 2021 RM'000	31 Mar 2020 RM'000	Changes %
Revenue	17,068	2,777	>100	17,068	2,777	>100
Other income	492	586	(16)	492	586	(16)
Cost of sales	(7,991)	(1,233)	>100	(7,991)	(1,233)	>100
Administration expenses	(4,455)	(3,391)	31	(4,455)	(3,391)	31
Profit/(Loss) from operations	5,114	(1,261)	>100	5,114	(1,261)	>100
Finance costs	(30)	(15)	100	(30)	(15)	100
Share of result of associates, net of tax	-	(410)	(100)	-	(410)	(100)
Profit/(Loss) before taxation	5,084	(1,686)	>100	5,084	(1,686)	>100
Taxation	(191)	(136)	40	(191)	(136)	40
Profit/(Loss) for the period, representing total comprehensive income/(loss)	4,893	(1,822)	>100	4,893	(1,822)	>100
NET PROFIT/(LOSS) ATTRIBUTABLE TO:						
- Owners of the Company	4,211	(1,822)	>100	4,211	(1,822)	>100
- Non-controlling interests	682	-	100	682	-	100
	4,893	(1,822)	>100	4,893	(1,822)	>100
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:						
- Owners of the Company	4,211	(1,822)	>100	4,211	(1,822)	>100
- Non-controlling interests	682	-	100	682	-	100
	4,893	(1,822)	>100	4,893	(1,822)	>100
Weighted average number of ordinary shares ('000)	302,192	249,706	21	302,192	249,706	21
Earnings/(Loss) per share attributable to the owners of the Company (Sen):						
- Basic	1.39	(0.73)	>100	1.39	(0.73)	>100
- Diluted	1.39	(0.73)	>100	1.39	(0.73)	>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 31 MARCH 2021

	Unaudited as at 31 Mar 2021 RM'000	Audited as at 31 Dec 2020 RM'000
NON-CURRENT ASSET		
Property, plant and equipment	3,515	973
Right-of-use assets	707	752
Lease receivables	5,953	5,953
Deferred tax asset	334	334
	10,509	8,012
CURRENT ASSETS		
Receivables, deposit & prepayments	6,461	9,471
Lease receivables	10,089	677
Inventories	3,744	3
Short term funds	124	1,891
Cash and bank balances	2,667	10,826
Current tax asset	219	228
	23,304	23,096
TOTAL ASSETS	33,813	31,108
EQUITY		
Share capital	52,895	52,895
Reserves	(33,131)	(25,159)
Non-controlling interest	3,495	-
TOTAL EQUITY	23,259	27,736
NON-CURRENT LIABILITIES		
Bank borrowing	1,913	375
Lease liabilities	289	520
Deferred tax liabilities	8	6
	2,210	901
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	6,564	2,103
Lease liabilities	442	283
Bank borrowing	1,338	85
	8,344	2,471
TOTAL LIABILITIES	10,554	3,372
TOTAL EQUITY AND LIABILITIES	33,813	31,108
NET ASSETS PER SHARE (Sen)	7.70	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 FIRST (1st) QUARTER ENDED 31 MARCH 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 31 March 2021							
Balance as at 1 January 2021	52,895	120	(10,853)	(14,426)	27,736	-	27,736
Total comprehensive profit	-	-	-	4,211	4,211	682	4,893
Adjustments arising from acquisition of a subsidiary	-	-	(12,189)	-	(12,189)	2,813	(9,376)
Transactions with owners:							
Share options granted under ESOS	-	6	-	-	6	-	6
Balance as at 31 March 2021	52,895	126	(23,042)	(10,215)	19,764	3,495	23,259
Preceding year corresponding period ended 31 March 2020							
Balance as at 1 January 2020	44,557	224	(10,853)	(2,423)	31,505	-	31,505
Total comprehensive loss	-	-	-	(1,822)	(1,822)	-	(1,822)
Transactions with owners:							
Issuance of shares: Proceeds from ESOS	581	(222)	-	-	359	-	359
Share options granted under ESOS	-	35	-	-	35	-	35
Balance as at 31 March 2020	45,138	37	(10,853)	(4,245)	30,077	-	30,077

(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 FIRST (1st) QUARTER ENDED 31 MARCH 2021

	Current year to date 31 Mac 2021 RM'000	Preceding year to date 31 Mac 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	5,084	(1,686)
Adjustments for:		
Depreciation of property, plant and equipment	152	206
Depreciation of right-of-use assets	39	43
Share options vested under ESOS	24	35
Interest expense	27	11
Interest expense on lease liabilities	3	4
Income distribution from short term funds	(3)	(64)
Interest income from finance lease	(532)	(378)
Impairment losses on trade & finance lease receivables	998	620
Share of loss in associates, net of tax	-	410
Operating profit/ (loss) before working capital changes	<u>5,792</u>	<u>(799)</u>
Changes in working capital:		
Trade and other receivables	4,136	(732)
Inventory	(106)	(3)
Lease receivables	(8,890)	349
Trade and other payables	(432)	(383)
	<u>(5,292)</u>	<u>(769)</u>
Cash generated / (used) in operations	500	(1,568)
Tax paid	(191)	(136)
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	<u>309</u>	<u>(1,704)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(43)	(51)
Income distribution received from short term funds	3	64
Investment in a subsidiary	(11,240)	-
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES	<u>(11,280)</u>	<u>13</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	513	-
Repayment of term loan	(50)	(25)
Interest on term loan	(27)	(11)
Repayment of lease liabilities	(64)	(78)
Interest on lease liabilities	(3)	(4)
Proceeds from issuance of shares	-	359
NET CASH GENERATED FROM FINANCING ACTIVITIES	<u>369</u>	<u>241</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(10,602)</u>	<u>(1,450)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>13,393</u>	<u>10,877</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>2,791</u>	<u>9,427</u>

	Current year to date 31 Mac 2021 RM'000	Preceding year to date 31 Mac 2020 RM'000
Cash and cash equivalents comprised the following:		
Cash and bank balances	2,667	2,011
Short term funds	124	7,416
	<hr/>	<hr/>
	2,791	9,427

(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.)

The remainder of this page is intentionally left blank

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 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>Provisions, Contingent Liabilities and Contingent Assets, 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 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 was no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the current quarter and financial period ended 31 March 2021.

A8. Segmental information

For management purposes, the Group is organised into six (6) operating segments which require different business strategies, and presented as follows:

- (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) Internet of things ("IoT") solutions
Provision for solutions for inter-networking of connected devices for infrastructure management.

- (d) Green technology (“GreenTech”) solutions
Provision of green technology solutions for sustainable and environmentally friendly products and services.
- (e) Sharing platform (“TelcoTech”)
Providing the technology on Airtime sharing for telecommunication providers.
- (f) Others
Others mainly comprise provision of big data analytics services, other 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		3 months ended	
	31 Mar 2021 RM’000	31 Mar 2020 RM’000	31 Mar 2021 RM’000	31 Mar 2020 RM’000
Segment revenue				
HealthTech	5,337	-	5,337	-
FinTech	963	1,102	963	1,102
IoT Solutions	2	2	2	2
GreenTech Solutions	10,160	1,082	10,160	1,082
TelcoTech	596	591	596	591
Others	10	-	10	-
Total revenue	17,068	2,777	17,068	2,777
Segment operating profit/(loss) before tax				
HealthTech	1,544	-	1,544	-
FinTech	142	24	142	24
IoT Solutions	(294)	(614)	(294)	(614)
GreenTech Solutions	3,962	(258)	3,962	(258)
TelcoTech	155	(90)	155	(90)
Others	(425)	(748)	(425)	(748)
Operating profit /(loss) before tax	5,084	(1,686)	5,084	(1,686)

	31 Mar 2021 RM’000	31 Mar 2020 RM’000
Segment Assets		
HealthTech	10,728	-
FinTech	1,566	5,205
IoT Solutions	-	575
GreenTech Solutions	17,620	18,081
TelcoTech	3,076	4,675
Others	270	4,381
Total Assets	33,260	32,917

Segment		
Liabilities		
HealthTech	3,603	-
FinTech	274	489
IoT Solutions	151	427
GreenTech Solutions	727	272
TelcoTech	1,728	2,114
Others	4,064	192
Total Liabilities	10,547	3,494

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

	3 months ended		3 months ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	16,178	2,777	16,178	2,777
Asian countries other than Malaysia	631	-	631	-
USA	59	-	59	-
Russia	200	-	200	-
Total	17,068	2,777	17,068	2,777

Year to date revenue from Malaysia, Asian countries other than Malaysia, USA and Russia contributed to approximately 94.78%, 3.70%, 0.35% and 1.17% 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 31 December 2020 and 2021. The new subsidiary is included in 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.

The remainder of this page is intentionally left blank

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			3 months ended		
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	Changes %	31 Mar 2021 RM'000	31 Mar 2020 RM'000	Changes %
Revenue	17,068	2,777	>100	17,068	2,777	>100
Operating Profit/(Loss)	5,114	(1,261)	>100	5,114	(1,261)	>100
Profit/(Loss) Before Interest and Tax	5,114	(1,261)	>100	5,114	(1,261)	>100
Profit/(Loss) Before Tax	5,084	(1,686)	>100	5,084	(1,686)	>100
Profit/(Loss) After Tax for the Period	4,892	(1,686)	>100	4,892	(1,686)	>100
Profit/(Loss) After Tax and Non-controlling Interest for the Period	4,211	(1,822)	>100	4,211	(1,822)	>100

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

Group revenue for 1Q 2021 was RM17.07, an increase of RM14.29 million from RM2.78 million for 1Q 2020. This was primarily as a result of contributions from the GreenTech segment as well as the newly acquired HealthTech subsidiary during the quarter under revenue.

With the inclusion of the HealthTech segment, the Group's operating expenses increased by RM1.07 million or 31% compared to 1Q 2020.

Consequently, the Group recorded an operating profit before tax of RM5.08 million in 1Q 2021 as compared to an operating loss before tax of RM1.69 million in 1Q 2020.

Group profit after tax in 1Q 2021 was RM4.89 million compared to a loss after tax of RM1.82 million in 1Q 2020.

For 1Q 2021, the Group recorded a profit after tax and non-controlling interest of RM4.21 million as compared to loss after tax of RM1.82 million for the preceding year corresponding quarter. The improvement in results is mainly due to positive contributions from the GreenTech and HealthTech 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 31 March 2021, total equity attributable to the owners of the Company was RM23.26 million as compared to RM27.74 million as at 31 December 2020.

Total assets as at 31 March 2021 increased by 8.70% to RM33.81 million from RM31.11 million as at 31 December 2020 mainly due to increased lease receivables from GreenTech and inventories from HealthTech in the current period.

Total liabilities increased from RM3.37 million as of 31 December 2020 to RM10.55 million as of 31 March 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.

(iii) Statement of Cash Flows

The Group recorded a net cash outflow of RM10.60 million as at 31 March 2021. As at 31 March 2021, the Group had short-term deposits and bank balances of RM2.79 million, borrowings of RM3.25 million and lease liabilities of RM0.73 million.

For the three (3) months ended 31 March 2021, the net cash generated from operating activities of the Group was RM0.31 million during the period as compared to RM1.70 million used in the previous corresponding period in 2020.

Net cash used from investing activities was RM11.28 million in the three (3) months ended 31 March 2021, as compared to RM12,636 generated in the previous corresponding period in 2020.

Net cash generated from financing activities was RM0.37 million during the period against RM0.24 million generated for the corresponding period in 2020.

Segmental analysis

a. Current quarter ended 31 March 2021 (“1Q 2021”) compared with the previous corresponding quarter ended 31 March 2020 (“1Q 2020”):

HealthTech

In 1Q 2021, HealthTech segment revenue was RM5.34 million or 31.27% of the Group’s total revenue.

The segment recorded an operating profit before tax of RM1.54 million in the current quarter, representing 30.36% of the Group’s total operating profit before tax.

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

FinTech

In 1Q 2021, FinTech segment revenue was RM0.96 million, a decrease of 12.61% as compared to 1Q 2020. FinTech's revenue was comparatively lower in 1Q 2021 due to operational constraints during the Movement Control Order (MCO) 2.0 restrictions.

The segment recorded an operating profit before tax of RM0.14 million in the current quarter, as compared to a RM0.02 operating profit before tax in 1Q 2020.

IoT solutions

IoT solutions recorded a revenue of approximately RM2,000 in both 1Q 2021 and 1Q 2020 from a small order for its fire safety product.

The segment recorded an operating loss before tax of RM0.29 million in 1Q 2021 as compared to a segment operating loss before tax of RM0.61 million in 1Q 2020. Common operating expenses allocated on a reasonable basis to this segment in the current quarter under review amounting to RM0.29 million.

Green Technology solutions

The GreenTech segment recorded a revenue of RM10.16 million in 1Q 2021 as compared to RM1.08 million in 1Q 2020. This was largely contributed from new lease revenue contributions for its Energy Performance Contract with a telecommunications company in the current quarter compared to 1Q 2020. Other revenue from this segment is also the continuation of existing maintenance and servicing contracts with a partner for GreenTech solutions in providing energy-saving solutions for a financial institution.

The segment recorded an operating profit before tax of RM3.96 million in 1Q 2021 as compared to segment operating loss before tax of RM0.26 million in 1Q 2020.

TelcoTech

TelcoTech recorded a revenue of RM0.60 million in 1Q 2021, an increase of 0.85% from the same period last year. Despite going through the COVID-19 pandemic and movement control order periods that have widespread effects on other businesses across the country, the segment had sustained with a marginal increase in revenue as compared to 1Q 2020.

The segment recorded an operating profit before tax of RM0.16 million in 1Q 2021 as compared to RM0.09 million operating loss before tax in 1Q 2020.

Others

This segment comprises operations relating to investment holding company and Big Data Analytics solutions. The segment recorded a revenue of approximately RM10,000 in 1Q 2021 as compared to zero contributions in 1Q 2020.

The segment recorded a segment operating loss before tax of RM0.43 million in 1Q 2021 as compared to a segment operating loss of RM0.75 million in 1Q 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 %
	31 Mar 2021 RM'000	31 Dec 2020 RM'000	
Revenue	17,068	1,952	>100
Operating Profit/(Loss) Before Interest and Tax	5,114	(6,985)	>100
Profit/(Loss) Before Tax	5,084	(6,995)	>100
Profit/(Loss) After Tax for the Period	4,893	(7,276)	>100
Profit/(Loss) After Tax and Non-controlling Interest For the Period	4,211	(7,276)	>100

Revenue for the quarter ended 31 March 2021 increased by RM15.12 million or 774%, while profit after tax and non-controlling interest was RM4.21 million in the current quarter compared to loss after tax of RM7.28 million to the immediate preceding quarter. The Group recorded a profit after tax and non-controlling interest in the current quarter mainly due to positive contributions from the GreenTech segment and the newly acquired HealthTech subsidiary.

B3. Prospects for 2021

The ongoing COVID-19 pandemic continues to disrupt the normal operation of economies globally. The market conditions in 2021 continue to be unpredictable and most economists are predicting a long and uneven return to pre-COVID business activity level. As such, the Group will continue to remain committed in improving its long term strategy, managing efficiency and reinforcing costs optimisation efforts to ensure business sustainability.

The Group is optimistic of the growth prospects with the inclusion of the HealthTech segment, which is expected to supplement the Group's existing businesses, and mitigate the risks of relying on current ongoing businesses.

Nevertheless, the Board of Directors remain cautiously optimistic to deliver a positive performance for the financial year ending 31 December 2021 against the backdrop of challenging uncertainty due to the prolonged COVID-19 pandemic.

B4. Profit forecast

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

B5. Taxation

	3 months ended		12 months ended	
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Tax expense recognised in profit or loss:				
Current tax provision	191	136	191	136
	191	136	191	136
Deferred Tax:				
Relating to origination of Temporary Difference	-	-	-	-
Tax expense for the financial period	191	136	191	136

B6. Status of corporate proposals and utilisation of proceeds

- (i) On 18 September 2020, the Group announced that it proposes to undertake 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 6 October 2020, Bursa Securities had approved the listing and quotation of up to 58,033,400 Placement Shares to be issued pursuant to the Proposed Private Placement subject to conditions. 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.

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	1,247	405	Within 12 months	842	68	(1)
General working capital	563	563	Within 12 months	-	-	(a)
Private Placement expenses	104	51	Within 1 month	53	51	(b)
Total gross proceeds	1,914	1,019		895	47	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 18 September 2020 and 2 October 2020.

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 been fully utilised as at 31 December 2020.*

(b) *The actual expenses incurred for this round of Private Placement was lower than the estimated expense. The balance shall be utilised in the next round of Private Placement under this proposed corporate exercise.*

There were no other corporate proposals, which have been announced but not completed as at 31 May 2021, being the date of this report.

B7. Borrowings

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

	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Current liabilities		
Term loan (secured)	217	85
Revolving credit	500	-
Trade facilities	513	-
Working capital	108	-
	<hr/> 1,338	<hr/> 85
Non-current liabilities		
Term loan (secured)	1,622	396
Working capital	291	-
	<hr/> 1,913	<hr/> 396
Total borrowings	<hr/> 3,251	<hr/> 481

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

B8. Material litigation

Save as disclosed below, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

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")

On 28 November 2019, the Company announced that its wholly-owned subsidiary, STSB as the Plaintiff, via its solicitors, Messrs. J Nee Solicitors, filed a Writ of Summons together with a Statement of Claim, on 27 November 2019, against

Professional Science Technologies Sdn. Bhd. (“PSTECH”) as the First Defendant and En. Muzir bin. Md Zanib (“En. Muzir”) as the Second Defendant in KLHC.

En. Muzir, in his capacity as a director for PSTECH, had approached STSB to venture into the Automatic Fare Collection System (“Project”).

The Main Contractors of the Project appointed Intelligent Essence Sdn Bhd (“IESB”) as the sub-contractor. IESB subsequently appointed STSB as a sub-contractor via a Letter of Award dated 4 July 2017 and Contract Works Agreement dated 6 September 2017 (“IESB Contract”).

PSTECH was then appointed by STSB as a sub-contractor via a Contract Works Agreement dated 6 September 2017 (“PS Tech Contract”) and is obligated to carry out the scope of works as per the IESB Contract.

STSB had duly completed the scope of works under the IESB Contract, however, IESB had failed, neglected and refused to make payment for the sum of RM1,887,426 (“the Debt”) despite STSB’s various demands and requests for the same.

En. Muzir, on behalf of PSTECH then undertook and acknowledged to pay the Debt to STSB via a Letter of Undertaking on 29 March 2019 and via WhatsApp messages respectively.

However, the Defendants had failed, neglected and refused to pay the Debt to STSB of which resulted in STSB filing the said Statement of Claim and claim from the Defendants, jointly and severally the following:

- (a) The sum of RM1,887,426 being the Debt due and owed by the Defendants;
- (b) Interest from the date of the breach until the date of judgment in accordance with Section 11 of the Civil Law Act 1956;
- (c) Interest at 5% per annum from the date of judgment until full and final settlement;
- (d) Costs of this action be paid by the Defendants to STSB; and
- (e) Further and/or other reliefs that the Court deems just and/or suitable and/or fair.

The Defendants through their solicitors, Messrs. Rafida Razak & Co, filed their Statement of Defence on 24 January 2020. The Plaintiff through their new solicitor, Messrs. Ram Reza & Muhammad, filed an Amended Statement of Claim on 17 February 2020 and has received the Amended Statement of Defence from the Defendants on 5 March 2020. The Plaintiff has filed a Reply to the Defence and Notice of Application to move the court to hear the matter under Order 14 Rules Of Court 2012 (“Summary Judgement Application”) on 20 March 2020.

The KLHC on 25 August 2020 decided in the Plaintiff’s favour (“Order 14 Judgment”) held as follows:

1. The sum of RM1,887,426.00 being the debt due and owed by the Defendants to the Plaintiff;

2. Interest from the date of the breach until the date of judgment in accordance with Section 11 of the Civil Law Act 1956;
3. Interest on RM1,887,426.00 at 5% per annum from the date of judgment until full and final settlement of the debt; and
4. Costs of RM3,000.00 subjected to the allocator fee to be paid by the Defendants to the Plaintiff.

The Defendants, aggrieved and dissatisfied with the Decision by the KLHC had filed a Notice of Appeal to the Court of Appeal (“COA”) which the COA on Case Management via e-review on 19 November 2020, instructed the Parties to file Written Submission with Bundle of Authorities, Executive Summary and Common Core Bundle on/before 14 June 2021.

COA further fixed 14 June 2021 as pre-Hearing Case Management and Hearing on 29 June 2021.

However, the Defendants had on 5 February 2021 served to the Plaintiff the following cause papers:

- (i) A sealed copy of Notice of Motion together with Affidavit in Support to amend their Memorandum of Appeal, which the COA fixed 15 February 2021 for Case Management. The COA during the Case Management further fixed 20 April 2021 for Hearing in COA.
The COA during Hearing on 20 April 2021 had ruled against the Plaintiff’s objection for the Defendant’s application to amend their Memorandum of Appeal. The COA is satisfied with the Defendant’s submission that the amendment would not be prejudicial to the Plaintiff and ordered the cost to be cost in cause.
- (ii) A sealed copy of Notice of Application together with Affidavit in Support to stay the execution for the Order 14 Judgment obtained against the Defendants, which the KLHC has confirmed that both parties have filed their affidavits as instructed by the KLHC on 16 February 2021.

The KLHC during the Case Management on 11 March 2021, instructed the Parties to comply with the following dates:

- (a) Parties to file Written Submissions on/before 1 April 2021;
- (b) Parties to file Submissions in Reply on/before 22 April 2021; and
- (c) Parties to attend Hearing on 16 June 2021.

The remainder of this page is intentionally left blank

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		3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Profit/(Loss) attributable to the owners of the Company (RM'000)	4,211	(1,822)	4,211	(1,822)
Weighted average number of ordinary shares in issue ('000)	302,192	249,706	302,192	249,706
Basic earnings/(loss) per share (sen)	1.39	(0.73)	1.39	(0.73)

(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		3 months ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Profit/(Loss) attributable to the owners of the Company (RM'000)	4,211	(1,822)	4,211	(1,822)
Weighted average number of ordinary shares in issue ('000)	302,192	249,706	302,192	249,706
Effect of dilution from share options ('000)	350	993	350	993
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	302,541	250,699	302,541	250,699
Diluted earnings/(loss) per share (sen)	1.39	(0.73)	1.39	(0.73)

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 31 Mar 2021 RM'000	3 months ended 31 Mar 2020 RM'000	3 months ended 31 Mar 2021 RM'000	3 months ended 31 Mar 2020 RM'000
Depreciation of property, plant and equipment	152	206	152	206
Depreciation of right-of-use assets	39	43	39	43
Income distribution received from short term funds	(3)	(64)	(3)	(64)
Interest income from finance lease	(532)	(378)	(532)	(378)
Impairment losses on trade & finance lease receivables	998	620	998	620
Interest expense	27	11	27	11

By Order of the Board

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

Kuala Lumpur
 31 May 2021