

SDS GROUP BERHAD

COMPANY NO. 201701026951 (1241117-T)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FOURTH QUARTER ENDED

31 MARCH 2023

SDS GROUP BERHAD

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		Unaudited 31 March 2023	Unaudited 31 March 2022	Unaudited 31 March 2023	Audited 31 March 2022
		RM'000	RM'000	RM'000	RM'000
Revenue	9	73,707	59,435	283,667	198,283
Cost of sales		(52,297)	(39,384)	(194,375)	(136,687)
Gross profit		21,410	20,051	89,292	61,596
Other income		306	280	1,119	711
Administrative expenses		(3,672)	(3,392)	(14,230)	(12,731)
Selling and distribution expenses		(11,132)	(9,057)	(41,636)	(33,731)
Other operating expenses		(660)	(42)	(892)	(286)
Finance costs		(169)	(303)	(886)	(1,456)
Profit before tax	25	6,083	7,537	32,767	14,103
Tax expense	19	(1,525)	(1,764)	(7,930)	(3,500)
Profit after tax		4,558	5,773	24,837	10,603
Other comprehensive income					
<u>Item that will be reclassified</u>					
<u>subsequently to profit or loss</u>					
Foreign currency translation differences		43	10	145	12
Total comprehensive income for the period/ year		4,601	5,783	24,982	10,615
Profit/ (Loss) after tax attributable to:-					
Owners of the Company		4,501	5,743	24,529	10,618
Non-controlling interests		57	30	308	(15)
		4,558	5,773	24,837	10,603
Total comprehensive income/ (expenses) attributable to:-					
Owners of the Company		4,544	5,753	24,674	10,630
Non-controlling interests		57	30	308	(15)
		4,601	5,783	24,982	10,615
Earnings per share attributable to owners of the Company (Sen):					
- Basic/ Diluted	24	1.10	1.42	6.00	2.62

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

SDS GROUP BERHAD

Company No: 201701026951 (1241117-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Unaudited As at 31 March 2023 RM'000	Audited As at 31 March 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	95,068	85,501
Right-of-use assets	11,492	14,634
Goodwill	162	162
Deferred tax assets	20	873
	106,742	101,170
CURRENT ASSETS		
Inventories	7,339	6,642
Trade receivables	11,129	9,459
Other receivables, deposits and prepayments	8,849	4,983
Current tax assets	295	718
Cash and bank balances	27,519	20,118
	55,131	41,920
TOTAL ASSETS	161,873	143,090
EQUITY AND LIABILITIES		
EQUITY		
Share capital	54,413	53,111
Reserves	49,013	28,416
Equity attributable to owners of the Company	103,426	81,527
Non-controlling interests	652	344
TOTAL EQUITY	104,078	81,871
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	21 7,391	7,764
Term loans	21 3,788	12,813
Deferred tax liabilities	4,931	3,772
Contract liabilities	341	205
	16,451	24,554

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 (CONT'D)**

	Unaudited As at 31 March 2023 RM'000	Audited As at 31 March 2022 RM'000
CURRENT LIABILITIES		
Trade payables	24,069	20,538
Other payables and accruals	10,675	7,559
Lease liabilities	21 4,684	5,557
Term loans	21 603	2,545
Contract liabilities	548	398
Current tax liabilities	765	68
	<u>41,344</u>	<u>36,665</u>
TOTAL LIABILITIES	<u>57,795</u>	<u>61,219</u>
TOTAL EQUITY AND LIABILITIES	<u>161,873</u>	<u>143,090</u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽¹⁾	<u>0.25</u>	<u>0.20</u>

Note:

- (1) Net assets per ordinary shares as at 31 March 2023 and 31 March 2022 are calculated based on ordinary shares in issuance in the Company of 409,630,765 and 405,823,900 shares respectively.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

SDS GROUP BERHAD
Company No: 201701026951 (1241117-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

	<u><----- Non-distributable -----></u>			<u>Distributable</u>			
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 1 April 2022	53,111	(27,760)	516	55,660	81,527	344	81,871
Profit after tax for the financial year	-	-	-	24,529	24,529	308	24,837
Other comprehensive income for the financial year: - Foreign currency translation differences	-	-	145	-	145	-	145
Total comprehensive income for the financial year	-	-	145	24,529	24,674	308	24,982
Contribution by and distribution to owners of the Company:							
- Issuance of shares pursuant to Special Issue	1,447	-	-	-	1,447	-	1,447
- Dividend paid	-	-	-	(4,077)	(4,077)	-	(4,077)
Total transactions with owners	1,447	-	-	(4,077)	(2,630)	-	(2,630)
Share issuance expenses	(145)	-	-	-	(145)	-	(145)
Balance at 31 March 2023 (Unaudited)	54,413	(27,760)	661	76,112	103,426	652	104,078

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

	<u><--- Non-distributable ---></u>			<u>Distributable</u>			Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Foreign Exchange Translation Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	
Balance at 1 April 2021	53,111	(27,760)	504	46,057	71,912	359	72,271
Profit/ (Loss) after tax for the financial year	-	-	-	10,618	10,618	(15)	10,603
Other comprehensive income for the financial year:							
- Foreign currency translation differences	-	-	12	-	12	-	12
Total comprehensive income/ (expenses) for the financial year	-	-	12	10,618	10,630	(15)	10,615
Distribution to owners of the Company:							
- Dividend paid	-	-	-	(1,015)	(1,015)	-	(1,015)
Balance at 31 March 2022 (Audited)	53,111	(27,760)	516	55,660	81,527	344	81,871

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

SDS GROUP BERHAD**Company No: 201701026951 (1241117-T)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

	12 months ended Unaudited 31 March 2023 RM'000	12 months ended Audited 31 March 2022 RM'000
Cash flows from operating activities		
Profit before tax	32,767	14,103
Adjustments for:		
Bad debts written off	-	50
Depreciation of property, plant and equipment	9,780	8,226
Depreciation of right-of-use assets	5,443	6,541
Impairment losses on trade receivables	-	7
Interest expenses	886	1,456
Property, plant and equipment written off	292	87
Unrealised loss on foreign exchange	22	6
Gain on disposal of property, plant and equipment	(43)	(105)
Gain on disposal of short-term investment	(203)	(21)
Gain on lease termination	(161)	(128)
Interest income	(345)	(209)
Operating profit before working capital changes	48,438	30,013
Increase in inventories	(697)	(936)
Increase in trade and other receivables	(1,712)	(2,229)
Increase in trade and other payables	5,300	7,279
Increase in contract liabilities	287	128
Cash from operations	51,616	34,255
Income tax paid	(4,936)	(1,791)
Income tax refund	129	-
Net cash from operating activities	46,809	32,464
Cash flows for investing activities		
Deposit paid for future purchase of property, plant and equipment	(4,314)	(654)
Interest received	345	209
Placement of short-term investment	(17,000)	(3,000)
Proceeds from disposal of property, plant and equipment:		
- current financial year	45	223
- previous financial year	-	11
Purchase of property, plant and equipment:		
- current financial year	(14,581)	(8,610)
- previous financial year	(639)	(165)
Withdrawal of short-term investment	17,203	3,021
Net cash for investing activities	(18,941)	(8,965)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

	12 months ended Unaudited 31 March 2023 RM'000	12 months ended Unaudited 31 March 2022 RM'000
Cash flows for financing activities		
Dividend paid	(4,077)	(1,015)
Drawdown of term loans	1,400	-
Interest paid	(886)	(1,456)
Payment of listing expenses	(145)	-
Proceeds from issuance of shares	1,447	-
Repayment of lease liabilities	(5,970)	(7,832)
Repayment of term loans	(12,369)	(10,269)
Net cash for financing activities	(20,600)	(20,572)
Net increase in cash and bank balances	7,268	2,927
Cash and bank balances at beginning of the financial year	20,118	17,185
Effect of foreign exchange translation	133	6
Cash and bank balances at end of the financial year	27,519	20,118

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to these interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

Part A: Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements (“Condensed Report”) of SDS Group Berhad (“SDS” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 and the accompanying notes attached to this Condensed Report.

2. Significant Accounting Policies

The accounting policies adopted in the preparation of this Condensed Report are consistent with those adopted in the preparation of the Group’s audited financial statement for the financial year ended 31 March 2022, except for the following:

1) New applicable accounting standards adopted during the financial year

MFRS (including the consequential amendments)	Effective date
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

2) New applicable accounting standards issued but not yet effective

At the date of authorisation for issue of this Condensed Report, the new accounting standards, which were in issue but not yet effective and have not been early adopted by the Group are as follow:-

MFRS (including the consequential amendments)	Effective date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)

3. Auditors' Report on Preceding Annual Audited Financial Statements

The audited financial statements of the Group for the financial year ended 31 March 2022 was not subject to any qualification.

4. Seasonal or Cyclical Factors

The Group generally experience higher sales during festive seasons and special occasions such as Chinese New Year, Mid-Autumn Festival, Mother's Day and Father's Day. The Group is also affected by the Muslim fasting month, where the sales of bakery, confectionery and other food and beverage ("F&B") products are typically lower than those registered outside the fasting month.

5. Material Unusual Items

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

6. Material Changes in Estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review and financial year.

7. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and financial year.

On 8 December 2021, the Company had undertaken a special issue of up to 46,400,000 new ordinary shares in the Company ("new SDS Shares") to Bumiputera investors to be identified and/or approved by Ministry of International Trade and Industry ("MITI") ("Special Issue"). Subsequently, on 8 March 2022, the Board resolved to increase the issuance size of the special issue from 46,400,000 new SDS Shares to 58,000,000 new SDS Shares to comply with MITI's requirement whereby the Company was required to allocate 12.50% of its enlarged share capital to Bumiputera investors to be approved by MITI, in addition to the equity interests in the Company held by Bumiputera investors at the point of listing.

Pursuant to the Special Issue, a total of 3,806,865 ordinary shares had been listed on the ACE Market of Bursa Malaysia Securities Berhad at the issue price of RM0.38 per ordinary share for a total gross proceed of approximately RM1.45 million on 21 July 2022. The Special Issue was deemed completed on 20 September 2022 upon the notification from Securities Commission, informing that the Company was deemed to have complied with the Bumiputera equity requirement.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)

Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)

8. Dividend Paid

A second interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,029,120 in respect of financial year ended 31 March 2022, was declared and paid on 27 May 2022 and 30 June 2022 respectively.

A first interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,048,154 in respect of financial year ending 31 March 2023 was declared and paid on 25 November 2022 and 23 December 2022 respectively.

9. Segment Information

The Group's segment information for the current financial period/ year ended 31 March 2023 is as follows:

Analysis of revenue by business segments

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000
Retail segment	26,948	20,430	105,174	65,666
Wholesale segment	46,759	39,005	178,493	132,617
	<u>73,707</u>	<u>59,435</u>	<u>283,667</u>	<u>198,283</u>

10. Significant Related Party Transactions

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000
Rental of premises received /receivable	-	1	5	6
Repayment of lease liabilities	130	125	506	499

11. Capital Commitments

	Unaudited 31 March 2023 RM'000	Audited 31 March 2022 RM'000
Purchase of property, plant and equipment	<u>4,818</u>	<u>1,151</u>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

Part A: Explanatory Notes Pursuant to MFRS 134 (Cont'd)

12. Contingent Assets and Liabilities

There are no material contingent liabilities and contingent assets to be disclosed at the end of the financial period/year.

13. Changes in Composition of the Group

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

14. Significant Events after the Reporting Period

There were no significant events subsequent to the end of the current financial quarter under review that have not been reflected in this Condensed Report.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)**

Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Review of Performance

The Group recorded revenue and profit before tax of RM73.71 million (2022: RM59.44 million) and RM6.08 million (2022: RM7.54 million) respectively for the current financial quarter ended 31 March 2023. For the cumulative financial quarter ended 31 March 2023, the Group recorded revenue and profit before tax of RM283.67 million (2022: RM198.28 million) and RM32.77 million (2022: RM14.10 million) respectively.

The Group's revenue was principally derived from the wholesale segment accounting for approximately 63.44% and 62.92% of the total revenue for current and cumulative financial quarter ended 31 March 2023 respectively.

16. Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current financial quarter ended 31 March 2023 decreased by RM1.30 million (or 1.73%) from RM75.01 million to RM73.71 million as compared with the immediate preceding financial quarter.

Profit before tax for the current financial quarter under review decreased by RM3.03 million (or 33.26%) to RM6.08 million as compared to RM9.11 million in the immediate preceding financial quarter.

The decrease in revenue was mainly due to the decrease in demand of our products during the fasting month which commenced in March 2023. Decrease in profit before tax was mainly due to increase in material prices and labour cost as a result of the changes in Employment Act.

17. Commentary on Prospects

With Malaysia entering the "Endemic" phase of COVID-19 and the re-opening of international borders, the Group expects a recovery in its retail operations due to the improved mobility. However, the Group is faced with the global supply chain disruptions and the fluctuation of prices in raw material. Therefore, the Group will continue to monitor the situation, and adopt strategies to mitigate its impact, which include resource allocation and cost control management.

Overall, the outlook of bakery products and cafeterias in Malaysia is positive, barring unforeseen circumstances such as rising raw material prices.

18. Profit Forecast

The Group does not issue any profit forecast or profit guarantee during the current financial quarter under review.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad
(Cont'd)****19. Tax Expenses**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000
Income tax	1,000	874	5,918	1,825
Deferred tax	525	890	2,012	1,675
	1,525	1,764	7,930	3,500

Notes:

- (1) Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current period/ year. The taxation of other jurisdiction is calculated at the rate prevailing in the respective jurisdiction.
- (2) Income tax expense is recognised based on management's best estimate.

20. Status of Corporate Proposals

Saved as disclosed below, there were no other corporate proposals announced as at the date of this Condensed Report.

On 28 July 2022, M&A Securities Sdn Bhd, on behalf of the Board, had announced that SDS proposed to undertake the proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Proposed Transfer") and proposed amendment to the Constitution of the Company to facilitate the implementation of the Proposed Transfer ("Proposed Amendment").

The approval from shareholders pursuant to the Proposed Amendment had been obtained during the Annual General Meeting held on 26 August 2022. On 28 October 2022, the application for the Proposed Transfer had been submitted to the Securities Commission Malaysia ("SC"). SC had vide its letter dated 28 February 2023, approved SDS's application for the Proposed Transfer. On 8 March 2023, the application for the Proposed Transfer had been submitted to Bursa Securities, which was subsequently approved on 23 March 2023. On 8 May 2023, the listing of and quotation for the entire share capital of SDS had been transferred from the ACE Market to the Main Market of Bursa Securities, marking the completion of the Transfer.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad
(Cont'd)****21. Borrowings and Debt Securities**

The Group's borrowings were as follows:

	Unaudited 31 March 2023 RM'000	Audited 31 March 2022 RM'000
Secured:		
Current liabilities		
Lease liabilities	4,684	5,557
Term loans	603	2,545
	<u>5,287</u>	<u>8,102</u>
Non-current liabilities		
Lease liabilities	7,391	7,764
Term loans	3,788	12,813
	<u>11,179</u>	<u>20,577</u>
Total Borrowings	<u><u>16,466</u></u>	<u><u>28,679</u></u>

22. Material Litigation

There was no material litigation against the Group as at the end of the current financial quarter under review.

23. Dividend

The Board of Directors had declared a second interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,029,120 in respect of financial year ended 31 March 2022 on 27 May 2022, which had been paid on 30 June 2022.

The Board of Directors had declared a first interim single tier dividend of 0.50 sen per ordinary share amounting to RM2,048,154 in respect of financial year ended 31 March 2023 on 25 November 2022, which had been paid on 23 December 2022.

On 26 May 2023, the Board of Directors has declared a second interim single tier dividend of 0.75 sen per ordinary share amounting to RM3,072,231 in respect of financial year ended 31 March 2023, to be paid on 3 July 2023. The entitlement date is 13 June 2023.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Cont'd)****24. Earnings per Share (“EPS”)**

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	Unaudited 31 March 2023	Unaudited 31 March 2022	Unaudited 31 March 2023	Unaudited 31 March 2022
Profit after tax attributable to owners of the Company (RM'000)	4,501	5,743	24,529	10,618
Weighted average number of ordinary shares in issue ('000)	409,631	405,824	408,494	405,824
Basic EPS (sen) ⁽¹⁾	1.10	1.42	6.00	2.62
Diluted EPS (sen) ⁽²⁾	1.10	1.42	6.00	2.62

Notes:

- (1) Basic EPS is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period/ year under review.
- (2) The diluted EPS is equal to the basic EPS as the Company does not have any convertible options as at the end of the reporting period/ year.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023 (CONT'D)****Part B: Explanatory Notes Pursuant to ACE Market Listing Requirements of Bursa Malaysia Securities Berhad
(Cont'd)****25. Profit before Tax**

Included in profit for the financial period/ year are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Audited 31 March 2022 RM'000
Bad debts written off	-	-	-	50
Depreciation of property, plant and equipment	2,682	2,145	9,780	8,226
Depreciation of right-of-use assets	1,223	1,288	5,443	6,541
Impairment loss on trade receivables	-	7	-	7
Interest expenses	169	303	886	1,456
Loss/(Gain) on foreign exchange:				
- Realised	(14)	(7)	96	(1)
- Unrealised	30	7	22	6
Property, plant and equipment written off	290	1	292	87
Bad debts recovered	-	23	*	*
Gain on disposal of property, plant and equipment	(11)	(30)	(43)	(105)
Gain on disposal of short-term investment	(187)	(21)	(203)	(21)
Gain on lease termination	-	(114)	(161)	(128)
Interest income	(97)	(59)	(345)	(209)
Lease income	-	(1)	(5)	(6)
Reversal of impairment loss on trade receivables	(5)	(23)	(5)	(23)

* Denotes amount less than RM500.

27. Authorised for Issue

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 26 May 2023.