SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)

(“SIB” OR THE “COMPANY”)

INTERIM FINANCIAL REPORT FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2018

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SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2018

	Quarter Ended			*Year-To-Date Ended*		
	30 Sept 2018 RM'000	**Restated 30 Sept 2017 RM'000**	**Changes %**	**30 Sept 2018 RM'000**	**Restated 30 Sept 2017 RM'000**	**Changes %**
Revenue	2,057	6,047	(66)	10,240	19,600	(48)
Other income	488	313	56	1,243	1,807	(31)
Administration expenses	(2,835)	(5,841)	(51)	(12,162)	(20,030)	(39)
(Loss) / Profit from operations	(290)	519	(156)	(679)	1,379	(149)
Finance costs	(5)	(9)	(44)	(50)	(28)	79
(Loss) / Profit before taxation	(295)	510	(158)	(729)	1,351	(154)
Taxation	(242)	(109)	122	(479)	(126)	280
Net (loss) / profit for the period, representing total comprehensive (loss) / income	(537)	401	(234)	(1,208)	1,225	(199)
NET PROFIT / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(537)	401	(234)	(1,208)	1,225	(199)
- Non-controlling interests	-	-	-	-	-	-
	(537)	401	(234)	(1,208)	1,225	(199)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(537)	401	(234)	(1,208)	1,225	(199)
- Non-controlling interests	-	-	-	-	-	-
	(537)	401	(234)	(1,208)	1,225	(199)
Weighted average number of ordinary shares ('000)	225,806	206,901	9	225,806	206,901	9
Earnings per share attributable to owners of the parent (Sen):						
- Basic	(0.238)	0.194	(223)	(0.535)	0.592	(190)
- Diluted	(0.238)	0.194	(223)	(0.535)	0.592	(190)

(The 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 2017 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Unaudited as at 30 September 2018 RM'000	Audited as at 31 December 2017 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	3,078	3,504
Lease receivables	4,418	5,096
	7,496	8,600
CURRENT ASSETS		
Receivables, deposit & prepayments	13,091	17,722
Lease receivables	1,001	1,216
Inventory	-	16
Short term funds	12,892	14,073
Cash and bank balances	3,939	1,724
	30,923	34,751
TOTAL ASSETS	**38,419**	**43,351**
EQUITY		
Share capital	42,005	42,005
Reserves	(10,484)	(9,276)
Equity attributable to owners of the parent	31,521	32,729
TOTAL EQUITY	31,521	32,729
NON-CURRENT LIABILITIES		
Bank borrowing	528	587
Hire purchase payables	505	62
Deferred tax liabilities	56	56
	1,089	705
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	5,496	9,230
Hire purchase payables	103	25
Bank borrowing	74	74
Current tax liabilities	136	588
	5,809	9,917
TOTAL LIABILITIES	**6,898**	**10,622**
TOTAL EQUITY AND LIABILITIES	**38,419**	**43,351**
NET ASSETS PER SHARE (Sen)	13.96	14.49

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018

	←------------- -Non-Distributable-----------------→			Distributable	
	Share Capital RM'000	**Share Premium RM'000**	**Reorganisation Reserve RM'000**	**Retained Profits RM'000**	**Total Equity RM'000**
Current year-to-date ended 30 September 2018					
Balance as at 1 January 2018	42,005	-	(10,853)	1,577	32,729
Net profit for the financial period, representing total comprehensive income for the financial period	-	-	-	(1,208)	(1,208)
Balance as at 30 September 2018	**42,005**	**-**	**(10,853)**	**369**	**31,521**
Preceding year corresponding period ended 30 September 2017					
Balance as at 1 January 2017	20,000	14,005	(10,853)	2,011	25,163
Net profit for the financial period, representing total comprehensive loss for the financial period	-	-	-	1,225	1,225
Transaction with owners					
Interim dividends		-	-	(2,000)	(2,000)
Transfer pursuant to Companies Act 2016	14,005	(14,005)			
Balance as at 30 September 2017	**34,005**	**-**	**(10,853)**	**1,236**	**24,388**

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018

	Current year to date 30 September 2018 RM'000	Preceding year to date 30 September 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(729)	1,351
Adjustments for:		
Depreciation of property, plant and equipment	843	862
Income distribution received from short term funds	(349)	(430)
Interest expense	50	28
Interest from finance lease	(666)	(552)
Unrealised gain on foreign exchange	(124)	52
Gain on disposal of property, plant and equipment	(200)	-
Impairment loss on receivables	304	-
Operating (loss) / profit before working capital changes	(871)	1,311
Changes in working capital:		
Trade and other receivables	5,115	(5,415)
Inventory	16	31
Lease receivables	893	(742)
Trade and other payables	(2,233)	4,013
	3,791	(2,113)
Cash generated from / (used in) operations	2,920	(802)
Tax paid	(932)	(158)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	1,988	(960)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(616)	(113)
Income distribution received from short term funds	349	430
Proceeds from disposal of property, plant and equipment	400	-
Acquisition of interest in a subsidiary	-	(1,000)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	133	(683)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to holding company in respect of profit guarantee and accrued interest	(1,529)	-
Drawdown of hire purchase	539	-
Repayment of hire purchase payable	(18)	(17)
Interest on hire purchase	(3)	(4)
Repayment of term loan	(58)	(55)
Interest on term loan	(18)	(24)
Dividend paid	-	(2,000)
NET CASH USED IN FINANCING ACTIVITIES	(1,087)	(2,100)

	Current year to date 30 September 2018 RM'000	Preceding year to date 30 September 2017 RM'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,034	(3,743)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,797	22,040
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16,831	18,297
Cash and cash equivalents comprised the following:		
Cash and bank balances	3,939	3,435
Short term funds	12,892	14,862
	16,831	18,297

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2018

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2018.

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.

In 2017, a reorganisation exercise has been carried out through the Company's acquisition of Sedania As Salam Capital Sdn. Bhd. ("SASC"), a subsidiary of Sedania Corporation Sdn. Bhd. Upon completion of the reorganisation exercise, the Company became the legal parent of SASC.

As SASC is in under common control before and after the reorganisation exercise, the Group applied the pooling of interest method of accounting and the consolidated financial statements have been accounted for as if the reorganisation exercise had occurred from the date when these entities were under common control.

Accordingly, the results of the Group for the previous corresponding periods in 2017 have been stated as if SASC have been combined with the Company throughout the previous accounting periods even though the reorganisations was effected on 20 July 2017.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Company and its subsidiaries ("**Group**") in this unaudited condensed interim financial statements are consistent with those adopted in the preparation of the audited financial statements as at 31 December 2017.

On 1 January 2018, the Group and the Company adopted the following new and amended MFRSs and Issues Committee ("IC") Interpretation mandatory for annual financial periods beginning on or after 1 January 2018.

Title	**Effective Date**
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 – 2016 Cycle*	1 January 2018
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards*	1 January 2018

2014 – 2016 Cycle	
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 *'Financial Instruments: Recognition and Measurement'* and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Investments in equity instruments are always measured at FVTPL with an irrevocable option at inception to present changes in FVOCI (provided the instrument is not held for trading). A debt instrument such as loans, advances and financing and investment securities are measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss ("ECL") model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group's provision matrix is based on its historical credit loss experience with trade receivables and contract assets of similar credit risk characteristics, adjusted for forward-looking factors specific to the category of debtors and the economic environment.

On the date of initial application, MFRS 9 did not affect the classification and measurement of the Group's financial assets and financial liabilities. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus if there are any adjustments, these adjustments shall be recognised in the opening retained earnings of the current period.

MFRS 15 Revenue from Contracts with Customers

The Group has adopted MFRS 15 in the immediate preceding quarter. The core principle in MFRS 15 is that an entity recognised revenue to depict the transfer of promised goods and services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

The Group has assessed the effects of applying the standard on the financial statements and concluded that the adoption of the Standard has had no material impact on the financial statements of the Group.

Standards issued but not yet effective

The following are accounting standards, amendments and interpretation of the MFRS Framework that have been issued by MASB but have not been adopted by the Group and the Company.

Title	**Effective Date**
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	See MFRS 4 Paragraphs 46 and 48
MFRS 16 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	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 2017.

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 issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A8. Segmental information

The segmental information of the Group are presented by operating segments as follows:

(a) Sharing platform
Providing the technology on Airtime sharing for telecommunication providers.

(b) Green technology ("GreenTech") solutions
Provision of green technology solutions for a sustainable and environmentally friendly product and services.

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

(d) Big Data Analytics
Provision of Big Data analytics services and related activities.

(e) Financial Technology ("FinTech")
Provision of financial technology solutions for banking industry.

(f) Others
Other operating segment comprises operations relating to investment holding.

Segment liabilities exclude current tax liabilities and deferred tax liabilities.

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

	3 months ended		9 months ended	
		Restated		Restated
	30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Segment revenue				
Sharing platform	920	1,397	3,099	4,435
GreenTech Solutions	56	42	545	2,189
IoT Solutions	-	3,410	3,862	10,310
Big Data Analytics	-	239	-	239
FinTech	1,081	959	2,734	2,427
Others	-	-	-	-
Total revenue	**2,057**	**6,047**	**10,240**	**19,600**
Segment operating profit / (loss) before tax				
Sharing platform	437	(250)	1,356	849
GreenTech Solutions	(255)	(42)	(686)	381
IoT Solutions	(495)	541	(1,082)	1,276
Big Data Analytics	(315)	(342)	(687)	(890)
FinTech	630	501	1,359	839
Others	(297)	102	(989)	(1,104)
Operating (loss) / profit before tax	**(295)**	**510**	**(729)**	**1,351**

		Restated
	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Segment Assets		
Sharing platform	12,907	11,329
GreenTech Solutions	7,965	6,324
IoT Solutions	4,144	8,490
Big Data Analytics	190	239
FinTech	4,004	2,402
Others	9,209	13,574
Total Assets	38,419	42,358
Segment Liabilities		
Sharing platform	1,178	999
GreenTech Solutions	-	66
IoT Solutions	3,377	4,842
Big Data Analytics	-	45
FinTech	329	587

	30 Sept 2018 RM'000	Restated 30 Sept 2017 RM'000
Others	1,822	3,251
Total Liabilities	6,706	9,790

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

	3 months ended		9 months ended	
	30 Sept 2018 RM'000	Restated 30 Sept 2017 RM'000	30 Sept 2018 RM'000	Restated 30 Sept 2017 RM'000
Malaysia	1,899	5,710	9,646	18,422
Bangladesh	158	337	594	1,178
Total	**2,057**	**6,047**	**10,240**	**19,600**

Year to date revenue from Malaysia and Bangladesh contributed to approximately 94.20% and 5.80% 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

There were no changes in the composition of the Group for 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. Related party transaction

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

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Group's Financial Performance Review and Segmental Analysis

Overall review of Group's financial performance

	3 months ended			9 months ended		
	30 Sept 2018 RM'000	Restated 30 Sept 2017 RM'000	Changes %	30 Sept 2018 RM'000	Restated 30 Sept 2017 RM'000	Changes %
Revenue	2,057	6,047	(66)	10,240	19,600	(48)
Operating (Loss) / Profit	(290)	519	(156)	(679)	1,379	(149)
(Loss) / Profit Before Interest and Tax	(290)	519	(156)	(679)	1,379	(149)
(Loss) / Profit Before Tax	(295)	510	(158)	(729)	1,351	(154)
(Loss) / Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	(537)	401	(234)	(1,208)	1,225	(199)

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

The Group recorded revenue of RM2.06 million and operating loss before tax of RM0.30 million in 3Q 2018 as compared to revenue of RM6.05 million and operating profit before tax of RM0.51 million in 3Q 2017. Total revenue decreased by 66% in the current quarter under review. The decline in performance is mainly due to lower revenue contributions from IoT and Sharing platform segments in 3Q 2018 as compared to 3Q 2017.

As a result, the Group recorded a loss after tax of RM0.54 million in 3Q 2018 as compared to a profit after tax of RM0.40 million in 3Q 2017 mainly due to under provision of prior year's final tax assessment of a subsidiary.

(ii) Statement of Financial Position

As at 30 September 2018, total equity attributable to owners of the Company was RM31.52 million as compared to RM32.73 million as at 31 December 2017. Total assets decreased by 11.38% to RM38.42 million from RM43.35 million as at 31 December 2017.

Total liabilities decreased by 35.06% to RM6.90 million from RM10.62 million as at 31 December 2017. The reduction in total liabilities is driven by the payment of profit guarantee and accrued interest of RM1.53 million for the purchase of Sedania As Salam Capital (SASC) shares, as well as a reduction in trade payable of RM2.0 million.

(iii) Statement of Cash Flows

The net cash generated from operating activities of the Group was RM1.99 million for the nine (9) months ended 30 September 2018 as compared to net cash used in operating activities of RM0.96 million in the previous corresponding period in 2017.

Net cash arising from investing activities was RM0.13 million in the nine (9) months ended 30 September 2018, as compared to a net cash used in investing activities of RM0.68 million in the previous corresponding period in 2017.

Net cash used in financing activities was RM1.09 million during the period against RM2.10 million used for the corresponding period in 2017.

Overall cash and cash equivalent increased by RM1.03 million as compared with opening cash and cash equivalents as at 1 January 2018. The cash and cash equivalents of the Group was RM16.83 million at 30 September 2018.

Segmental analysis

a. Current quarter ended 30 September 2018 ("3Q 2018") compared with previous corresponding quarter ended 30 September 2017 ("3Q 2017"):

Sharing platform

Sharing platform recorded a revenue of RM0.92 million in 3Q 2018, a decrease of 34.14% as compared to RM1.40 million in 3Q 2017. However, as a result of prudent cost allocation between segments in 3Q 2018, the Sharing platform recorded a 275% increase of segment operating profit before tax, from a RM0.25 million loss in 3Q 2017 to a RM0.44 million profit in 3Q 2018.

Green Technology solutions

The revenue recorded by GreenTech segment was RM0.05 million in 3Q 2018 as compared to RM0.04 million in 3Q 2017. Revenue from this segment is a continuation of the existing contract with a partner for GreenTech solutions for a financial institution.

The segment recorded an operating loss before tax in the current quarter of RM0.26 million as compared to segment operating loss before tax of RM0.04 million in 3Q 2017. This was due to common operating expenses/indirect cost allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

IoT solutions

There is no revenue recorded from this segment in 3Q 2018, as compared to a revenue of RM3.41 million in 3Q 2017. All IoT solutions for a fire safety system has been delivered in 1Q 2018.

Nevertheless, the segment recorded an operating loss before tax of RM0.50 million in 3Q 2018 as compared to segment operating profit of RM0.54 million in 3Q 2017 due to increase in segment costs and overheads in 3Q 2018 as compared to 3Q 2017.

Big Data Analytics
There is no revenue recorded from this segment in 3Q 2018, as compared to a revenue of RM0.24 million in 3Q 2017. The segment recorded an operating loss before tax of RM0.32 million in the current quarter as compared to segment operating loss of RM0.34 million in 3Q 2017. This was due to common operating expenses allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

FinTech
In 3Q 2018, FinTech segment revenue were RM1.08 million, an increase of 12.72% as compared to RM0.96 million in 3Q 2017. The segment recorded an increased operating profit of RM0.63 million in the current quarter under review. Total number of FinTech clients have increased from 26 in 3Q 2017 to 44 in the current quarter under review.

Others
This segment comprises operations relating to investment holding. The segment recorded a segment operating loss before tax of RM0.30 million in 3Q 2018 as compared to segment operating profit of RM0.10 million in 3Q 2017. This was due to common operating expenses 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 Sept 2018 RM'000	**30 June 2018 RM'000**	**%**
Revenue	2,057	2,327	(12)
Operating Loss Before Interest and Tax	(290)	(476)	39
Loss Before Tax	(295)	(484)	39
Loss After Tax & Attributable to Ordinary Equity Holders of the Parent	(537)	(694)	23

The Group recorded a lower revenue of RM2.06 million during the quarter under review against a revenue of RM2.33 million in the preceding quarter ended 30 June 2018. The Group suffered a quarterly revenue decline in comparison with the immediate preceding quarter as a result of an overall reduction in revenue contributions from Sharing Platform, GreenTech and IoT segments.

The Group recorded a loss before tax of RM0.30 million for the current quarter under review as compared to loss before tax of RM0.48 million in the immediate preceding quarter. Loss after tax amounts to RM0.54 million as compared to loss after tax of RM0.69 million in the immediate preceding quarter.

B3. Prospects for 2018

The Board of Directors is of the view that the operating performance of the Group for the remaining quarter of the financial year ending 31 December 2018 will remain challenging for the Group.

While the Board is cautious in its business outlook in the short term, the Board remains optimistic for the financial year 2019 due to the Group continuous innovations in the current year for FinTech and IoT segments.

The Group is also making good progress in the GreenTech segment, despite an initial delay. While this particular GreenTech project have a longer execution time, the Board expects positive contributions from this segment in 2019.

At the same time, the Group will continue to focus on measures to improve operational performances whilst exercising prudent financial and risk management.

B4. Profit forecast

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

B5. Taxation

	3 months ended		9 months ended	
		Restated		Restated
	30 Sept 2018 RM'000	30 Sept 2017 RM'000	30 Sept 2018 RM'000	30 Sept 2017 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	143	109	380	126
Under provision in prior year	99	-	99	-
Tax expense for the financial period	242	109	479	126

B6. Status of corporate proposals announced

On 23 October 2017, M&A Securities Sdn. Bhd. ("M&A") on behalf of the Board of Directors ("Board") announced that SIB proposes to undertake a private placement of up to 22,580,600 new ordinary shares in SIB to independent third party investor(s) to be identified ("Proposed Private Placement").

On 24 October 2017, M&A had, on behalf of the Board, announced that SIB have submitted the additional listing application to Bursa Malaysia Securities Bhd. ("Bursa Securities") in relation to the Proposed Private Placement.

On 25 October 2017, M&A had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 25 October 2017, approved the listing of and quotation for up to 22,580,600 new ordinary shares in SIB to be issued pursuant to the Proposed Private Placement, subject to the following conditions:

(a) SIB and M&A must fully comply with the relevant provisions under the ACE Market Listing Requirements ("ACE LR") pertaining to the implementation of the Proposed Private Placement;

(b) SIB and M&A to inform Bursa Securities upon the completion of the Proposed Private Placement; and

(c) SIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions by Bursa Securities' approval once the Proposed Private Placement is completed.

SIB is required to ensure full compliance of all the requirements as provided under the ACE LR at all times.

On 2 April 2018, M&A had, on behalf of the Board, announced that SIB have submitted an application to Bursa Securities to seek extension of time of six (6) months up to 24 October 2018 to complete the implementation of the Proposed Private placement.

On 4 April 2018, M&A had, on behalf of the Board, announced that Bursa Securities, after taking into consideration the relevant facts and circumstances, had approved the extension of time application until 24 October 2018

On 18 October 2018, M&A had, on behalf of the Board, announced that Bursa Securities had approved a further extension of time of six (6) months up to 24 April 2019 to complete the implementation of the Proposed Private Placement.

There are no other corporate proposals, which have been announced but not completed as at 30 November 2018, being the date of this report.

B7. Borrowings

The Group's borrowings as at 30 September 2018 are as follows:

	As at 3rd quarter ended 2018		
	Long term	**Short term**	**Total**
Secured – property term loan*	528	74	602
Unsecured – hire purchase payable**	505	103	608

	As at 3rd quarter ended 2017		
	Long term	**Short term**	**Total**
Secured – property term loan	606	74	680
Unsecured - hire purchase payable	68	24	92

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

**The hire purchase payables of the Group as at 30 September 2018 are for the Group's motor vehicles. The portion of the hire purchase due within one (1) year is classified as current liabilities.

B8. Material litigation

The Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, or of any fact likely to give rise to any proceeding which might materially or adversely affect the financial position or business of the Group.

B9. Dividends

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

B10. Earnings per share

The basic earnings per share are calculated as follows: -

	3 months ended		**9 months ended**	
	30 Sept 2018	**Restated 30 Sept 2017**	**30 Sept 2018**	**Restated 30 Sept 2017**
(Loss) /Profit attributable to owners of the parent (RM'000)	(537)	401	(1,208)	1,225
Weighted average number of ordinary shares in issue ('000)	225,806	206,901	225,806	206,9010
Basic (loss) / earnings per share (sen)	(0.238)	0.194	(0.535)	0.592

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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 Sept 2018 RM'000	Restated 3 months ended 30 Sept 2017 RM'000	9 months ended 30 Sept 2018 RM'000	Restated 9 months ended 30 Sept 2017 RM'000
Depreciation and amortisation expenses	279	288	843	862
(Gain) on disposal of property, plant and equipment	(200)	-	(200)	-
(Gain)/Loss on foreign exchange				
- realised	38	(64)	111	(75)
- unrealised	(1)	51	(124)	51
Impairment loss on receivable	295	-	304	-
Income distribution received from short term funds	(115)	(123)	(349)	(430)
Interest expense	5	9	50	28

By Order of the Board

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

Kuala Lumpur
30 November 2018