



SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)

(“SIB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

	<i>Quarter Ended</i>			<i>Year-To-Date Ended</i>		
	31 Dec 2018	31 Dec 2017	Changes	31 Dec 2018	31 Dec 2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,103	6,647	(68)	12,343	27,297	(54)
Other income	332	1,023	(68)	1,583	1,771	(30)
Administration expenses	(5,943)	(6,810)	(13)	(18,113)	(26,874)	33
(Loss) / Profit from operations	(3,508)	860	(>100)	(4,187)	2,194	(>100)
Finance costs	(76)	(9)	(>100)	(126)	(37)	(>100)
(Loss) / Profit before taxation	(3,584)	851	(>100)	(4,313)	2,157	(>100)
Taxation	435	(465)	>100	(44)	(590)	93
Net (loss) / profit for the period, representing total comprehensive (loss) / income	(3,149)	386	(>100)	(4,357)	1,567	(>100)
NET (LOSS) / PROFIT ATTRIBUTABLE TO:						
- Owners of the parent	(3,149)	386	(>100)	(4,357)	1,567	(>100)
- Non-controlling interests	-	-	-	-	-	-
	(3,149)	386	(>100)	(4,357)	1,567	(>100)
TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:						
- Owners of the parent	(3,149)	386	(>100)	(4,357)	1,567	(>100)
- Non-controlling interests	-	-	-	-	-	-
	(3,149)	386	(>100)	(4,357)	1,567	(>100)
Weighted average number of ordinary shares ('000)	225,806	225,806	-	225,806	211,595	9
Earnings per share attributable to owners of the parent (Sen):						
- Basic	(1.395)	0.171	(>100)	(1.930)	0.741	(>100)
- Diluted	(1.378)	0.171	(>100)	(1.907)	0.741	(>100)

(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 31 DECEMBER 2018

	Unaudited as at 31 December 2018 RM'000	Audited as at 31 December 2017 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	2,821	3,504
Lease receivables	3,687	5,096
Deferred Tax Asset	432	-
	6,940	8,600
CURRENT ASSETS		
Receivables, deposit & prepayments	12,213	17,722
Lease receivables	584	1,216
Inventory	5	16
Short term funds	11,219	14,073
Cash and bank balances	1,977	1,724
Current Tax Asset	230	-
	26,228	34,751
TOTAL ASSETS	33,168	43,351
EQUITY		
Share capital	42,005	42,005
Reserves	(15,679)	(9,276)
Equity attributable to owners of the parent	26,326	32,729
TOTAL EQUITY	26,326	32,729
NON-CURRENT LIABILITIES		
Bank borrowing	509	587
Hire purchase payables	460	62
Deferred tax liabilities	2	56
	971	705
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	5,470	9,230
Hire purchase payables	125	25
Bank borrowing	74	74
Current tax liabilities	202	588
	5,871	9,917
TOTAL LIABILITIES	6,842	10,622
TOTAL EQUITY AND LIABILITIES	33,168	43,351
NET ASSETS PER SHARE (Sen)	11.66	15.47

(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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2018

	<-----Non-Distributable----->				Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	ESOS Reserve RM'000	Reorganisation Reserve RM'000	Retained Profits RM'000	
Current year-to-date ended 31 December 2018						
Balance as at 1 January 2018	42,005	-	-	(10,853)	1,577	32,729
Effect of adopting MFRS 9	-	-	-	-	(2,129)	(2,129)
Net loss for the period	-	-	-	-	(4,357)	(4,357)
Transactions with owners:						
Share options vested under ESOS	-	-	83	-	-	83
Balance as at 31 December 2018	42,005	-	83	(10,853)	(4,909)	26,326
Preceding year corresponding period ended 31 December 2017						
Balance as at 1 January 2017	20,000	14,005	-	(10,853)	2,011	25,163
Net profit for the period	-	-	-	-	1,566	1,566
Transactions with owners:						
Issuance of shares	8,000	-	-	-	-	8,000
Interim dividends	-	-	-	-	(2,000)	(2,000)
Transfer pursuant to Companies Act 2016	14,005	(14,005)	-	-	-	-
Balance as at 31 December 2017	42,005	-	-	(10,853)	1,577	32,729

(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 FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

	Current year to date 31 December 2018 RM'000	Preceding year to date 31 December 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(4,313)	2,157
Adjustments for:		
Depreciation of property, plant and equipment	1,100	1,149
ESOS Expenses	83	-
Income distribution received from short term funds	(466)	(560)
Interest expense	126	37
Interest from finance lease	(865)	(770)
Unrealised gain on foreign exchange	(139)	122
Gain on disposal of property, plant and equipment	(200)	-
Impairment loss on receivables	2,835	-
Operating (loss) / profit before working capital changes	<u>(1,839)</u>	<u>2,135</u>
Changes in working capital:		
Trade and other receivables	2,327	(7,232)
Inventory	10	6
Lease receivables	1,214	(2,476)
Trade and other payables	<u>(2,326)</u>	<u>4,225</u>
Cash generated used in operations	<u>(614)</u>	<u>(3,342)</u>
Tax paid	<u>(1,097)</u>	<u>(157)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,711)</u>	<u>(3,499)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(616)	(170)
Income distribution received from short term funds	466	560
Proceeds from disposal of property, plant and equipment	400	-
Acquisition of interest in a subsidiary	-	(1,000)
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	<u>250</u>	<u>(610)</u>
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	(41)	(23)
Interest on hire purchase	(7)	(5)
Repayment of term loan	(78)	(74)
Interest on term loan	(24)	(32)
Dividend paid	-	(2,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,140)</u>	<u>(2,134)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(2,601)</u>	<u>(6,243)</u>

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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,797	22,040
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13,196	15,797
Cash and cash equivalents comprised the following:		
Cash and bank balances	1,977	1,724
Short term funds	11,219	14,073
	13,196	15,797

(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 FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

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

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 <i>Annual Improvements to MFRS Standards 2014 – 2017 Cycle</i>	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 – 2017 Cycle</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraph 46 and 48
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	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 except those discussed below:

MFRS 9 Financial Instruments

The Group adopted MFRS 9 on 1 January 2018. 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 *Financial Instruments: Recognition and Measurement*. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach with the ECL approach.

As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures. Adjustment arising from the initial application of the new impairment model has been recognised in the opening balance of the retained earnings and the carrying amount of the financial assets as at 1 January 2018 as disclosed below:

	As per previous accounting framework 31.12.2017 RM'000	Adoption of MFRS 9 RM'000	As per current accounting framework 1.1.2018 RM'000
Trade receivables	15,403	(1,365)	14,038
Other receivables	2,489	(105)	2,384
Finance lease receivables	6,311	(709)	5,602
Deferred tax (liabilities)/asset	(56)	50	(6)
	24,147	(2,129)	22,018
Reserves (Retained earnings)	1,577	(2,129)	(552)

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
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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		12 months ended	
	31 Dec 2018 RM’000	31 Dec 2017 RM’000	31 Dec 2018 RM’000	31 Dec 2017 RM’000
Segment revenue				
Sharing platform	829	1,266	3,929	5,702
GreenTech Solutions	55	1,487	600	4,228
IoT Solutions	-	2,990	3,862	13,300
Big Data Analytics	-	-	-	239
FinTech	1,219	904	3,952	3,828
Others	-	-	-	-
Total revenue	2,103	6,647	12,343	27,297

Segment operating profit / (loss) before tax

Sharing platform	(543)	(299)	813	501
GreenTech Solutions	(854)	289	(1,539)	674
IoT Solutions	(2,014)	248	(3,097)	1,532
Big Data Analytics	(578)	(89)	(1,265)	(951)
FinTech	794	1,085	2,153	1,942
Others	(389)	(383)	(1,378)	(1,541)
Operating (loss) / profit before tax	(3,584)	851	(4,313)	2,157

	31 Dec 2018 RM'000	31 Dec 2017 RM'000
Segment Assets		
Sharing platform	12,278	10,258
GreenTech Solutions	5,811	8,058
IoT Solutions	1,220	8,490
Big Data Analytics	-	239
FinTech	4,572	3,186
Others	8,625	12,968
Total Assets	32,506	43,199
Segment Liabilities		
Sharing platform	1,499	2,618
GreenTech Solutions	764	67
IoT Solutions	2,191	3,464
Big Data Analytics	-	46
FinTech	267	269
Others	1,917	3,362
Total Liabilities	6,638	9,826

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

	3 months ended		12 months ended	
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	31 Dec 2018 RM'000	31 Dec 2017 RM'000
Malaysia	1,966	6,906	11,613	25,329
Bangladesh	137	292	730	1,470
Total	2,103	7,198	12,343	26,799

Year to date revenue from Malaysia and Bangladesh contributed to approximately 94.09% and 5.91% 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.

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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			12 months ended		
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	Changes %	31 Dec 2018 RM'000	31 Dec 2017 RM'000	Changes %
Revenue	2,103	6,647	(68)	12,343	27,291	(55)
Operating (Loss) / Profit	(3,508)	860	(>100)	(4,187)	2,194	(>100)
(Loss) / Profit Before Interest and Tax	(3,508)	860	(>100)	(4,187)	2,193	(>100)
(Loss) / Profit Before Tax	(3,584)	851	(>100)	(4,313)	2,157	(>100)
(Loss) / Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	(3,149)	386	(>100)	(4,357)	1,567	(>100)

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

(a) Performance of current quarter against the corresponding quarter

The Group recorded revenue of RM2.10 million, a decline of approximately 68% for the current quarter under review (4Q 2018) as compared to the preceding year's corresponding quarter revenue of RM6.65 million (4Q 2017). The Group recorded an operating loss before tax of RM3.58 million in 4Q 2018 as compared to operating profit before tax of RM0.85 million in 4Q 2017. The decline in performance is mainly due to lower revenue contributions from IoT and GreenTech segments and the impact of MFRS 9 impairment expense recognised on trade and finance lease receivables in 4Q 2018 as compared to 4Q 2017.

As a result, the Group recorded a loss after tax of RM3.15 million in 4Q 2018 as compared to a profit after tax of RM0.39 million in 4Q 2017.

(b) Performance of current year against the corresponding year

The Group recorded total revenue of RM12.34 million for the year ended 31 December 2018, a decline of 55% or RM14.95 million compared to last year, contributed by lower sales contributions from IoT and slow take-off from GreenTech projects. On the other hand, FinTech segment performed better with an improved revenue of RM3.95 million in the current year as compared to RM3.83 million last year.

Overall operating expenses were higher mainly due to the impact of MFRS 9 impairment expense recognised on trade and finance lease receivables amounting to RM2.84 million in the current year as compared to nil in the previous year.

As a result of lower revenue and impairment expense recognised on trade and finance lease receivables during the year, the Group recorded a loss after tax of RM4.36 million during the year as compared to a profit after tax of RM1.57 million in financial year ended 31 December 2017.

(ii) Statement of Financial Position

As at 31 December 2018, total equity attributable to owners of the Company was RM26.33 million as compared to RM32.73 million as at 31 December 2017. This reduction was due to negative adjustments made to opening retained profits as a result of MFRS 9 adoption, which decreased the total equity and net assets of the Group. Total assets decreased by 23.49% to RM33.17 million from RM43.35 million as at 31 December 2018 mainly due to reduction in cash and cash equivalents and impairment recognised on trade and finance lease receivables.

Total liabilities decreased by 35.59% to RM6.84 million from RM10.62 million as at 31 December 2018. The reduction in total liabilities is driven by the payment of profit guarantee and accrued interest of RM1.53 million for the purchase of SASC shares, as well as a reduction in trade and other payables of RM2.23 million.

(iii) Statement of Cash Flows

The net cash used from operating activities of the Group was RM1.71 million for the twelve (12) months ended 31 December 2018 as compared to net cash used in operating activities of RM3.50 million in the previous corresponding period in 2017.

Net cash arising from investing activities was RM0.25 million in the twelve (12) months ended 31 December 2018, as compared to a net cash used in investing activities of RM0.61 million in the previous corresponding period in 2017.

Net cash used in financing activities was RM1.14 million during the period against RM2.13 million used for the corresponding period in 2017.

Overall cash and cash equivalent decreased by RM2.60 million as compared with opening cash and cash equivalents as at 1 January 2018. The cash and cash equivalents of the Group was RM13.20 million at 31 December 2018.

Segmental analysis

a. Current quarter ended 31 December 2018 (“4Q 2018”) compared with previous corresponding quarter ended 31 December 2017 (“4Q 2017”):

Sharing platform

Sharing platform recorded a 4Q 2018 revenue of RM0.83 million which represents a 34.57% decline, compared to 4Q 2017 sharing platform revenue of RM1.27 million. The segment also recorded a segment operating loss of RM0.54 million, a 81.61% increase from 4Q 2017,

largely due to the recognition of impairment expense on trade receivables of RM0.86 million.

Green Technology solutions

The revenue recorded by GreenTech segment was RM0.06 million in 4Q 2018 as compared to RM1.49 million in 4Q 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 RM0.85 million as compared to a segment operating profit before tax of RM0.29 million in 4Q 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 was no revenue recorded from this segment in 4Q 2018, as compared to a revenue of RM2.99 million in 4Q 2017. All IoT solutions for a fire safety system has been delivered in 1Q 2018.

The segment recorded an operating loss before tax of RM2.01 million in 4Q 2018 largely due to impairment expense recognised on trade receivables of RM1.69 million in 4Q 2018 as compared to 4Q 2017.

Big Data Analytics

There is no revenue recorded from this segment in the current quarter under review.

The segment recorded an operating loss before tax of RM0.58 million in 4Q 2018 as compared to a segment operating loss of RM0.09 million in 4Q 2017. This was due to impairment expense on trade receivables and common operating expenses allocated on a reasonable basis to this segment amounting to RM0.54 million.

FinTech

In 4Q 2018, FinTech segment revenue was RM1.22 million, an increase of 35.14% as compared to RM0.90 million in 4Q 2017. The segment recorded an operating profit of RM0.79 million in the current quarter under review as compared to operating profit of RM1.09 million in 4Q 2017. In 4Q 2017, included in the Fintech results was a government grant of RM0.31 million.

Others

This segment comprises operations relating to investment holding. The segment recorded a segment operating loss before tax of RM0.39 million in 4Q 2018 as compared to a segment operating loss of RM0.38 million in 4Q 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 %
	31 Dec 2018 RM'000	30 Sept 2018 RM'000	
Revenue	2,103	2,057	<1%
Operating Loss Before Interest and Tax	(3,508)	(290)	(>100)
Loss Before Tax	(3,584)	(295)	(>100)
Loss After Tax & Attributable to Ordinary Equity Holders of the Parent	(3,149)	(537)	(>100)

The Group recorded a revenue of RM2.10 million during the quarter under review against a revenue of RM2.06 million in the preceding quarter ended 30 September 2018. Revenue for the quarter increased slightly as compared to the immediate preceding quarter.

The Group recorded a loss before tax of RM3.58 million for the current quarter under review as compared to a loss before tax of RM0.30 million in the immediate preceding quarter. Loss after tax amounts to RM3.15 million as compared to loss after tax of RM0.54 million in the immediate preceding quarter mainly due to an increase in overall operating expenses as a result of impairment expense recognised on trade and finance lease receivables in the final quarter.

B3. Prospects for 2019

The Board of Directors is of the view that the operating performance of the Group for the financial year ended 31 December 2018 was challenging and the Board continues to be cautious in its business outlook in the short term.

However, the Board is encouraged by the continuous positive contributions from the FinTech segment and its new innovations that are expected to go-to-market in 2019.

Despite a disappointing IoT segment performance in 2018, the prospects of the segment are expected to improve in 2019. The Group is also making good progress in the GreenTech segment, despite an initial delay of a particular project as a result of its extended execution time. New projects acquired further strengthens the Greentech segment's prospects in 2019 and the Board expects positive contributions from this segment in the year.

The Group will continue its efforts to focus on measures in improving operational performances whilst exercising prudent financial and risk management across the Group.

B4. Profit forecast

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

B5. Taxation

	3 months ended		12 months ended	
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	31 Dec 2018 RM'000	31 Dec 2017 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	43	591	522	717
(Over) / Under provision in prior year	(42)	(97)	(42)	(98)
Tax expense for the financial period	1	494	480	619
Deferred tax:				
Relating to origination of Temporary Difference	(436)	127	(436)	127
(Over) / Under provision in prior year	-	(156)	-	(156)
Tax expense for the financial period	(436)	(29)	(436)	(29)
	(435)	465	44	590

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 25 February 2019, being the date of this report.

B7. Borrowings

The Group's borrowings as at 31 December 2018 are as follows:

	As at 4 th quarter ended 2018		
	Long term	Short term	Total
Secured – property term loan*	509	74	583
Unsecured – hire purchase payable**	460	125	585

	As at 4 th quarter ended 2017		
	Long term	Short term	Total
Secured – property term loan	587	74	661
Unsecured - hire purchase payable	62	25	87

*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 31 December 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

(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		12 months ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
(Loss) /Profit attributable to owners of the Company (RM'000)	(3,149)	341	(4,357)	1,567
Weighted average number of ordinary shares in issue ('000)	225,806	225,806	225,806	211,595
Basic (loss) / earnings per share (sen)	(1.395)	0.171	(1.930)	0.741

(b) Diluted earnings per share

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

	3 months ended		12 months ended	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
(Loss) /Profit attributable to owners of the Company (RM'000)	(3,149)	341	(4,357)	1,567
Weighted average number of ordinary shares in issue ('000)	225,806	225,806	225,806	211,595
Effect of dilution: ESOS shares ('000)	2,631	-	2,631	-
Weighted average number of ordinary shares in issue and issuable ('000)	228,437	225,806	228,437	211,595
Basic (loss) / earnings per share (sen)	(1.378)	0.171	(1.907)	0.741

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 Dec 2018 RM'000	3 months ended 31 Dec 2017 RM'000	12 months ended 31 Dec 2018 RM'000	12 months ended 31 Dec 2017 RM'000
Depreciation and amortisation expenses	257	287	1,100	1,149
(Gain) on disposal of property, plant and equipment	-	-	(200)	-
(Gain)/Loss on foreign exchange				
- realised	19	213	130	138
- unrealised	(15)	63	(139)	123
Impairment expense on trade receivables -				
Expected credit loss	2,530	-	2,835	-
Income distribution received from short term funds	(117)	(130)	(466)	(560)
Interest expense	76	9	126	36

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

CHENG CHIA PING (MAICSA 1032514)

Company Secretaries

Kuala Lumpur

25 February 2019