



SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)
(“SIB” OR THE “COMPANY”)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2017

	<i>Quarter Ended</i>			<i>Year-To-Date Ended</i>		
	31 Dec	31 Dec	Changes	31 Dec	31 Dec	Changes
	2017	2016		2017	2016	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	6,647	8,349	(20)	27,297	14,273	91
Other income	1,023	217	371	1,771	1,296	37
Administration expenses	(6,810)	(8,254)	(17)	(26,821)	(17,405)	54
Profit / (Loss) from operations	860	312	176	2,247	(1,836)	222
Finance costs	(9)	(8)	13	(36)	(34)	6
Profit / (Loss) before taxation	851	304	183	2,211	(1,870)	218
Taxation	(465)	(249)	87	(590)	(266)	122
Net profit / (loss) for the period, representing total comprehensive income / (loss)	386	55	602	1,621	(2,136)	176
NET PROFIT / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	386	55	602	1,621	(2,136)	176
- Non-controlling interests	-	-	-	-	-	-
	386	55	602	1,621	(2,136)	176
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	386	55	602	1,621	(2,136)	176
- Non-controlling interests	-	-	-	-	-	-
	386	55	602	1,621	(2,136)	176
Weighted average number of ordinary shares ('000)	225,806 ¹	200,000	13	211,666 ¹	200,000	6
Earnings / (Loss) per share attributable to owners of the parent (RM):						
- Basic	0.0017	0.0003	522	0.0077	(0.0107)	172
- Diluted	0.0017	0.0003	522	0.0077	(0.0107)	172

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

¹ After the issuance and allotment of 25,806,452 SIB shares amounting to RM8,000,000 at an issue price of RM0.31 per SIB share pursuant to the Acquisition which was completed on 20 July 2017. Further details on the changes in the issued and paid-up share capital of SIB can be found in the Circular to Shareholders of the Company dated 2 June 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Unaudited As at 31 December 2017 RM'000	Audited As at 31 December 2016 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	3,505	4,312
Lease receivables	5,095	3,076
	8,600	7,388
CURRENT ASSETS		
Receivables, deposit & prepayments	17,722	9,126
Lease receivables	1,216	760
Inventory	16	22
Short term funds	14,073	19,574
Cash and bank balances	1,724	2,064
	34,751	31,546
TOTAL ASSETS	43,351	38,934
EQUITY		
Share capital	28,000	20,000
Reserves	4,784	16,187
Equity attributable to owners of the parent	32,784	36,187
TOTAL EQUITY	32,784	36,187
NON-CURRENT LIABILITIES		
Bank borrowing	587	661
Hire purchase liabilities	62	-
Deferred tax liabilities	56	85
	705	746
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	9,176	1,801
Hire purchase liabilities	24	-
Bank borrowing	74	74
Current tax liabilities	588	126
	9,862	2,001
TOTAL LIABILITIES	10,567	2,747
TOTAL EQUITY AND LIABILITIES	43,351	38,934
NET ASSETS PER SHARE (RM)	0.15	0.18

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

	←----- -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 31 December 2017					
Balance as at 1 January 2017	20,000	14,005	(853)	3,035	36,187
Net profit for the financial period, representing total comprehensive income for the financial period	-	-	-	1,621	1,621
Transaction with owners					
Adjustment arising from acquisition of SASC	-	-	(10,000)	(1,024)	(11,024)
Issuance of shares ¹	8,000	-	-	-	8,000
Interim dividends	-	-	-	(2,000)	(2,000)
Balance as at 31 December 2017	28,000	14,005	(10,853)	1,632	32,784
Preceding year corresponding period ended 31 December 2016					
Balance as at 1 January 2016	20,000	14,005	(853)	7,171	40,323
Net profit for the financial period, representing total comprehensive loss for the financial period	-	-	-	(2,136)	(2,136)
Transaction with owners					
Interim dividends	-	-	-	(2,000)	(2,000)
Balance as at 31 December 2016	20,000	14,005	(853)	3,035	36,187

¹After the issuance and allotment of 25,806,452 SIB shares amounting to RM8,000,000 at an issue price of RM0.31 per SIB share pursuant to the Acquisition which was completed on 20 July 2017.

Pursuant to Section 74 of the Companies Act, 2016 ('the act'), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provision set out in section 618 of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have 24 months upon the commencement of the Act to utilise the credit. During the financial period, the Company has not transfer or utilise any of the credit in the share premium account. The Board of Directors will make a decision thereon by 31 January 2019.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

	Current year to date 31 December 2017 RM'000	Preceding year to date 31 December 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	2,211	(1,870)
Adjustments for:		
Depreciation of property, plant and equipment	1,149	1,037
Income distribution received from short term funds	(560)	(1,016)
Interest expense	36	34
Interest income from finance lease	(770)	(147)
Unrealised loss / (gain) on foreign exchange	123	(48)
Operating profit / (loss) before working capital changes	2,189	(2,010)
Changes in working capital:		
Trade and other receivables	(7,232)	(3,733)
Inventory	6	(22)
Lease receivables	(2,476)	(3,835)
Trade and other payables	4,239	1,336
	(5,463)	(6,254)
Cash used in operations	(3,274)	(8,264)
Income distribution received from short term funds	560	-
Tax paid	(226)	(211)
Penalty of underestimation of tax payables	-	21
NET CASH USED IN OPERATING ACTIVITIES	(2,940)	(8,454)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(170)	(981)
Investment in a subsidiary	(1,000)	-
Income distribution received from short term funds	-	1,016
NET CASH FROM INVESTING ACTIVITIES	(1,170)	35
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payable	(23)	-
Repayment of term loan	(74)	(71)
Dividend paid	(2,000)	(4,000)
Interest paid	(36)	(34)
NET CASH USED IN FINANCING ACTIVITIES	(2,133)	(4,105)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(6,243)	(12,524)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	22,040*	34,162

	Current year to date 31 December 2017 RM'000	Preceding year to date 31 December 2016 RM'000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,797	21,638
Cash and cash equivalents comprised the following:		
Cash and bank balances	1,724	2,064
Short term funds	14,073	19,574
	<u>15,797</u>	<u>21,638</u>

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)

***Note:**

Since the acquisition of Sedania As Salam Capital Sdn Bhd ("SASC") was derived from a common control, hence the cash flow of SASC was included in the Group's cash flow for the full year under merger accounting method.

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE FOURTH (4TH)
QUARTER ENDED 31 DECEMBER 2017**

**A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 31 DECEMBER 2017.**

A1. Accounting policies and methods of computation

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.

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 2016.

The Group and the Company adopted the following standards of MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2017
Amendments to MFRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

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 early adopted by the Group and the Company.

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 – 2016 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 – 2016 Cycle</i>	1 January 2018

Amendments to MFRS 140 Transfers of Investment Property	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
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 MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MRS Standards 2015 – 2017 Cycle</i>	1 January 2019
Amendments to MFRS 113 <i>Annual Improvements to MRS Standards 2015 – 2017 Cycle</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements, except for MFRS 15, MFRS 9 and MFRS 16.

The Group is currently finalising the adjustments upon adoption of MFRS 15 and MFRS 9 where the impact of the above new standards is expected to be in the period of initial application. The financial impact of adopting MFRS 16 is still being assessed by the Group.

A2. 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 2016.

A3. 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.

A4. Unusual items

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

A5. Material changes in estimates

Not applicable as there were no estimates reported in the prior financial years.

A6. Debt and equity securities

There were no issuances, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A7. Segmental information

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

- (a) Airtime sharing (“ATS”) services
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”) solutions
Provision of financial technology solutions for banking industry
- (f) Others
Other operating segment comprises operations relating to investment holding.

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

	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2017	2016	2017	2016
	RM’000	RM’000	RM’000	RM’000
Segment revenue				
Airtime Sharing	1,266	2,045	5,701	7,969
GreenTech Solutions	1,487	4,004	4,228	4,004
IoT Solutions	2,990	2,300	13,300	2,300
Big Data Analytics	-	-	239	-
FinTech	904	-	3,829	-
Others	-	-	-	-
Total revenue	6,647	8,349	27,297	14,273

	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Segment operating profit / (loss) before tax				
Airtime Sharing	(299)	(405)	501	(3,117)
GreenTech Solutions	289	546	675	618
IoT Solutions	248	350	1,532	350
Big Data Analytics	(89)	-	(951)	-
FinTech	1,085	-	1,941	-
Others	(383)	(187)	(1,487)	279
Operating profit / (loss) before tax	851	304	2,211	(1,870)

	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Segment Assets		
Airtime Sharing	9,956	12,063
GreenTech Solutions	8,612	4,169
IoT Solutions	8,429	2,438
Big Data Analytics	200	-
FinTech	3,186	-
Others	12,968	20,264
Total Assets	43,351	38,934
Segment Liabilities		
Airtime Sharing	949	1,619
GreenTech Solutions	1,301	-
IoT Solutions	4,097	620
Big Data Analytics	-	-
FinTech	269	-
Others	3,308	298
Total Liabilities	9,924	2,537

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

	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	6,355	7,762	25,827	12,007
Bangladesh	292	587	1,470	2,266
Indonesia	-	-	-	-
Total	6,647	8,349	27,297	14,273

Year to date revenue from Malaysia and Bangladesh contributed to approximately 94.61% and 5.39% respectively of the Group's total revenue.

A8. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current quarter.

A9. Capital commitment

There was no capital commitment recognised by the Group for the current quarter.

A10. Changes in the composition of the Group

On 27 February 2017, the Company entered into a share sale agreement ("SSA") with Sedania Corporation Sdn. Bhd. ("SedaniaCorp") to acquire the entire issue and paid up ordinary share capital of Sedania As Salam Capital Sdn. Bhd. ("SASC) for a purchase consideration of RM12.00 million to be satisfied by a combination of cash amounting to RM4.00 million and issuance and allotment of 25,806,452 new ordinary shares in the Company at an issue price of RM0.31 per unit ("Acquisition").

On 20 July 2017, the Acquisition has been completed following :

- (a) payment of RM1.0 million has been made to SedaniaCorp and the Security of RM3.0 million has been retained by the Company as Profit Guarantees pursuant to the SSA; and
- (b) the listing of 25,806,452 consideration shares on ACE Market of Bursa Securities on 20 July 2017.

Following the Acquisition, SASC has become a wholly owned subsidiary of the Company.

A11. 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.

A12. 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.

A13. Related party transactions

There were no related party transactions 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			12 months ended		
	31 Dec 2017 RM'000	31 Dec 2016 RM'000	Changes %	31 Dec 2017 RM'000	31 Dec 2016 RM'000	Changes %
Revenue	6,647	8,349	(20)	27,297	14,273	91
Operating Profit / (Loss)	860	312	176	2,247	(1,836)	222
Profit / (Loss) Before Interest and Tax	860	312	176	2,247	(1,836)	222
Profit / (Loss) Before Tax	851	304	180	2,211	(1,870)	218
Profit / (Loss) After Tax & Attributable to Ordinary Equity Holders of the Parent	386	55	602	1,621	(2,136)	176

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

The Group recorded revenue of RM6.65 million and operating profit before tax of RM0.85 million in 4Q 2017 as compared to revenue of RM8.35 million and operating profit before tax of RM0.30 million in 4Q 2016. The preceding year's corresponding quarter recorded a higher revenue mainly due to the initial recognition of a lease revenue for the GreenTech segment.

For the twelve months ended 31 December 2017, the Group recorded revenue of RM27.30 million and operating profit before tax of RM2.21 million against revenue of RM14.27 million and operating loss before tax of RM1.87 million for the corresponding period in 2016. The better performance was mainly due to the continuing contribution by the GreenTech and IoT segments on top of the existing ATS segment as compared to the corresponding period in 2016. In addition, acquisition of SASC was derived from a common control, hence the results of SASC for FinTech segment was included in the Group's profits for the full year under merger accounting method.

(ii) Statement of financial position

As at 31 December 2017, total equity attributable to owners of the Company was RM32.78 million as compared to RM36.19 million as at 31 December 2016. Total assets increased to RM43.35 million as compared to RM38.93 million in 31 December 2016.

During the year, the Group has acquired SASC as a wholly owned subsidiary and the asset and liabilities of SASC were brought into the consolidated statement of financial position at their existing carrying amounts at the combination date under merger accounting method.

(iii) Statement of Cash Flows

The net operating cash flows used in operations of the Group was RM2.98 million for the 12 months ended 31 December 2017 against RM7.47 million for the corresponding period in 2016. Included in the net operating cash flows was an increase in working capital changes in the current period amounting to RM5.46 million as compared to RM6.25 million for the corresponding period in 2016.

Net cash used in investing activities was RM1.17 million for the twelve months ended 31 December 2017 as compared to RM0.98 million for the corresponding period in 2016. Despite decreased capital expenditures, the investment in SASC was partly paid in cash of RM1.0 million. The balance of RM3.0 million is retained as security deposit for the purpose of profit guarantee pursuant to the SSA as disclosed in the Circular dated 2 June 2017.

Net cash used in financing activities was RM2.10 million during the period against RM4.07 million for the corresponding period in 2016. This include repayment of hire purchase payable for SASC.

Overall cash and cash equivalent decreased by RM6.24 million as compared with opening cash and cash equivalents as at 1 January 2017. The cash and cash equivalents of the Group was RM15.80 million as at 31 December 2017.

Segmental analysis

a. Current quarter ended 31 December 2017 ("4Q 2017") compared with previous corresponding quarter ended 31 December 2016 ("4Q 2016"):

Airtime sharing solutions

Airtime Sharing recorded a revenue of RM1.26 million in 4Q 2017, a decrease of 38.09% as compared to RM2.05 million in 4Q 2016. In 4Q 2017, the Airtime sharing recorded a segment operating loss before tax of RM0.30 million as compared to segment operating loss before tax of RM0.41 million in 4Q 2016. The segment continues to experience lower average number of transactions per day as consumer spending for telecommunication credits is declining as a results of overall decline in prepaid market.

Green Technology solutions

The revenue recorded in 4Q 2017 was RM1.49 million against RM4.00 million in 4Q 2016. The revenue from the provision of Green Technology solutions with a client includes recognition of a finance lease arrangement. Segment operating profit before tax in the current quarter was RM0.29 million as compared to segment operating profit before tax of RM0.55 million in the 4Q 2016.

IoT solutions

The revenue recorded for 4Q 2017 was RM2.99 million against a revenue of RM2.30 million for the corresponding quarter in 2016. During the 4Q 2017, revenue from this segment were contributed from IoT solutions for a fire safety portal and a transportation system. Following therefrom, the Group recorded a segment

operating profit before tax of RM0.25 million in 4Q 2017 as compared to segment operating profit of RM0.35 million in 4Q 2016.

Big Data Analytics

There is no revenue from this segment in both 4Q 2017 and 4Q 2016.

FinTech

FinTech contributed to a revenue of RM0.90 million with a segment operating profit before tax of RM1.09 million in the current quarter under review. Included in the Fintech results is 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 RM0.38 million in 4Q 2017 mainly due corporate exercise expenses in relation to the acquisition of SASC and the statutory and regulatory expenses of the investment holding company.

b. Current year-to-date ended 31 December 2017 (YTD 4Q 2017) compared with previous year-to-date ended 31 December 2016 (YTD 4Q 2016)

The Group recorded revenue of RM27.30 million as compared to RM14.27 million in YTD 4Q 2016. The Group reported an operating profit before tax of RM2.21 million as compared to an operating loss before tax of RM1.87 million in YTD 4Q 2016.

Airtime sharing solutions

The revenue recorded in YTD 4Q 2017 was RM5.70 million against RM7.97 million in YTD 4Q 2016. The lower revenue in YTD 4Q 2017 was mainly due to lower average number of transactions per day for Airtime sharing solutions.

The segment operating profit before tax was RM0.50 million as compared to segment operating loss before tax of RM3.12 million in YTD 4Q 2016. Operating expenses incurred by the Group for Airtime sharing segment were significantly lower in the YTD 4Q 2017 as compared to YTD 4Q 2016 as a result of cost rationalisation built around operational efficiency and optimisation of resources. The segment operating loss before tax in YTD 4Q2016 improved by 218% in YTD 4Q2017 despite decrease in segment revenue for the YTD 4Q2017..

Green Technology solutions

The revenue recorded in YTD 4Q 2017 for GreenTech segment was RM4.23 million against RM4.00 million in YTD 4Q 2016. Segment operating profit before tax for YTD 4Q 2017 was RM0.68 million against segment operating profit of RM0.62 million in YTD 4Q 2016.

IoT solutions

The revenue of IoT segment was RM13.30 million and segment operating profit before tax was RM1.53 million for YTD 4Q 2017 against segment revenue of RM2.30 million and RM0.35 million operating profit before tax in YTD 4Q 2016. Positive results from this segment were mainly due to constant book orders of IoT solutions every quarter.

Big Data Analytics

The revenue recorded for YTD 4Q 2017 was RM0.24 million with segment operating loss before tax of RM0.95 million. This was in relation to a big data analytics training program provided for a client in 3Q 2017. There was no comparison figures for YTD 4Q 2016 since this segment only started in 3Q 2017.

FinTech

In YTD 4Q 2017, total revenue for FinTech segment was RM3.83 million with a segment operating profit before tax of RM1.94 million. Since the acquisition of SASC was derived from a common control, the results of SASC for FinTech segment was included in the Group's results for the full year under merger accounting method.

Others

This segment comprises operations relating to investment holding. The segment recorded a loss of RM1.49 million in YTD 4Q 2017 as compared to segment operating profit of RM0.28 million in YTD 4Q 2016 mainly due corporate exercise expenses in relation to the acquisition of SASC and the statutory and regulatory expenses of the investment holding company.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Changes %
	31 Dec 2017 RM'000	30 Sept 2017 RM'000	
Revenue	6,647	6,223	6.8
Operating Profit	860	589	46.0
Profit Before Interest and Tax	860	589	46.0
Profit Before Tax	851	580	46.7
Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	386	471	(18)

In the current quarter ended 31 December 2017, the Group generated revenue of RM6.65 million, an increase of RM0.42 million or 6.8% as compared to the revenue of RM6.22 million in the immediate preceding quarter.

The Group recorded an improved profit before tax of RM0.86 million for the current quarter under review as compared to profit before tax of RM0.58 million in the immediate preceding quarter. Profit after tax decreased to RM0.39 million due to additional tax provisions for the year in the final quarter.

B3. Prospects for 2018

With the completion of the acquisition of SASC during the year, the Company has expanded its service offerings into the provision of FinTech, on top of the existing ATS Services, GreenTech and IoT solutions.

Although market conditions remain challenging in 2018, the Group aims to improve the 2018 results by continuously seeking new opportunities to enhance its recurring revenue streams and look for new business growth by way of capitalising the strength of business ventures with strategic partners.

Nevertheless, the management is mindful of the challenges in domestic and international economic environment and is taking measures to improve the performance of the Group and ensure better efficiency.

The Board of Directors is of the opinion that the businesses of the Group are expected to remain positive for the financial year ending 31 December 2018.

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 2017 RM'000	31 Dec 2016 RM'000	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	591	134	717	151
(Over)/Under provision in prior years	(97)	117	(97)	117
	<u>494</u>	<u>251</u>	<u>619</u>	<u>268</u>
Deferred tax:				
Relating to origination of temporary differences	127	2	127	(4)
(Over) /Under provision in prior years	(156)	(4)	(156)	2
	<u>(29)</u>	<u>(2)</u>	<u>(29)</u>	<u>(2)</u>
Tax expense for the financial period	<u>465</u>	<u>249</u>	<u>590</u>	<u>266</u>

B6. Status of corporate proposals and utilisation of proceeds

(i) **Status of corporate proposal**

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.

The Proposed Private Placement is expected to be completed by the first quarter of 2018.

There are no other corporate proposals, which have been announced but not completed as at 27 February 2018, being the date of this report.

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(ii) **Utilisation of proceeds**

The status of utilisation of the IPO proceeds amounting to RM19.56 million are as follows:

Details of utilisation	IPO Proceeds raised ^(a)	Actual utilisation	Variance	Intended timeframe for utilisation	Status as at 31 December 2017
	RM'000	RM'000	RM'000		
Capital expenditure	4,000	4,000	-	Within 24 months	Fully utilised
Marketing expenses	4,100	1,863	2,237 ^(e)	Within 30 months (i.e. until 28 December 2017) ^(d)	Fully utilised
R&D expenses	2,500	2,500	-	Within 18 months (i.e. until 28 December 2016) ^(c)	Fully utilised
Working capital	6,757	10,111	(3,354) ^{(b)/(e)}	Within 30 months (i.e. until 28 December 2017)	Fully utilised
Estimated listing expenses	2,200	1,083	1,117 ^(b)	Within 3 months	Fully utilised
	19,557	19,557	-		

Notes:

- (a) As per SIB's prospectus dated 9 June 2015.
- (b) The actual expenses incurred for the IPO was lower than the estimated expenses for the said exercise. The Company had incurred RM1.99 million for its listing expenses which was financed via internally generated funds of RM0.91 million and proceeds of RM1.08 million which was raised through the IPO. Hence, the balance of unutilised IPO Proceeds for the listing expenses of RM1.12 million has been re-allocated to working capital of SIB and its subsidiaries ("SIB Group"), as announced in the Company's quarterly report as at 30 September 2015. The IPO Proceeds of RM1.12 million has been fully utilised as announced in the Company's quarterly report as at 31 December 2016..
- (c) On 29 July 2016, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO Proceeds allocated for R&D expenses of RM0.58 million until 28 December 2016.
- (d) On 16 June 2017, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO Proceeds which was earmarked for the marketing expenses of RM2.29 million to 28 December 2017.

- (e) On 28 November 2017, the Company had announced that the Board has resolved to re-allocate the balance of RM2.24 million which was initially earmarked for the marketing expenses to working capital of the Company. The re-allocation of RM2.24 million from the marketing expenses was utilised towards payment for the trade payables and day-to-day working capital requirements of the SIB Group.

B7. Borrowings

The Group's borrowings as at 31 December 2017 are as follows:

	As at 4 th quarter ended 2017		
	Long term	Short term	Total
Secured – property term loan*	587	74	661
Unsecured – hire purchase payable**	81	6	87

	As at 4 th quarter ended 2016		
	Long term	Short term	Total
Secured – property term loan	661	74	735
Unsecured - nil	-	-	-

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

**The unsecured loan consist of hire purchase payable for a motor vehicle in SASC, for the period ended 31 December 2017.

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		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2017	2016	2017	2016

	3 months ended		12 months ended	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Profit/ (Loss) attributable to owners of the parent (RM'000)	386	55	1,621	(2,136)
Weighted average number of ordinary shares in issue ('000)	225,806 ¹	200,000	211,666 ¹	200,000
Basic (loss) / earnings per share (RM)	0.0017	0.0003	0.0077	(0.0107)

¹ After the issuance and allotment of 25,806,452 SIB shares amounting to RM8,000,000 at an issue price of RM0.31 per SIB share pursuant to the Acquisition which was completed on 20 July 2017. Further details on the changes in the issued and paid-up share capital of SIB can be found in the Circular to Shareholders of the Company dated 2 June 2017.

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	3 months ended	12 months ended	12 months ended
	31 Dec 2017 RM'000	31 Dec 2016 RM'000	31 Dec 2017 RM'000	31 Dec 2016 RM'000
Depreciation and amortisation expenses	287	272	1,149	1,037
Loss / (Gain) on foreign exchange				
- realised	213	4	138	(85)
- unrealised	63	(29)	123	(48)
Income distribution received from short term funds	(130)	(192)	(560)	(1,016)
Interest expense	9	8	36	34

By Order of the Board,

TEH AI LIN (MAICSA 7065560)
TIA HWEI PING (MAICSA 7057636)
 Company Secretaries
 Kuala Lumpur
 27 February 2018