SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)

(“SIB” OR THE “COMPANY”)

INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018

Contents	**Page**

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2018

	Quarter Ended			***Year-To-Date Ended***		
		Restated			**Restated**	
	31 Mar 2018	**31 Mar 2017**	**Changes**	**31 Mar 2018**	**31 Mar 2017**	**Changes**
	RM'000	**RM'000**	**%**	**RM'000**	**RM'000**	**%**
Revenue	5,857	6,682	(12)	5,857	6,682	(12)
Other income	407	367	11	407	367	11
Administration expenses	(6,206)	(6,538)	(5)	(6,206)	(6,538)	(5)
Profit from operations	58	511	(89)	58	511	(89)
Finance costs	(8)	(10)	(20)	(8)	(10)	(20)
Profit before taxation	50	501	(90)	50	501	(90)
Taxation	(27)	(8)	238	(27)	(8)	238
Net profit / (loss) for the period, representing total comprehensive income / (loss)	23	493	(95)	23	493	(95)
NET PROFIT / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	23	493	(95)	23	493	(95)
- Non-controlling interests	-	-	-	-	-	-
	23	493	(95)	23	493	(95)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	23	493	(95)	23	493	(95)
- Non-controlling interests	-	-	-	-	-	-
	23	493	(95)	23	493	(95)
Weighted average number of ordinary shares ('000)	225,806	200,000	13	225,806	200,000	13
Earnings per share attributable to owners of the parent (sen):						
- Basic	0.01	0.25	(96)	0.01	0.25	(96)
- Diluted	0.01	0.25	(96)	0.01	0.25	(96)

(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 MARCH 2018

	Unaudited as at 31 March 2018 RM'000	Audited as at 31 December 2017 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,222	3,504
Lease receivables	4,763	5,096
	7,985	8,600
CURRENT ASSETS		
Receivables, deposit & prepayments	17,012	17,722
Lease receivables	1,262	1,216
Inventory	12	16
Short term funds	12,574	14,073
Cash and bank balances	3,491	1,724
	34,351	34,751
TOTAL ASSETS	**42,336**	**43,351**
EQUITY		
Share capital	42,005	42,005
Reserves	(9,253)	(9,276)
Equity attributable to owners of the parent	32,752	32,729
TOTAL EQUITY	32,752	32,729
NON-CURRENT LIABILITIES		
Bank borrowing	567	587
Hire purchase liabilities	56	62
Deferred tax liabilities	56	56
	679	705
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	8,218	9,230
Hire purchase liabilities	25	25
Bank borrowing	74	74
Current tax liabilities	588	588
	8,905	9,917
TOTAL LIABILITIES	**9,584**	**10,622**
TOTAL EQUITY AND LIABILITIES	**42,336**	**43,351**
NET ASSETS PER SHARE (RM)	0.15	0.14

(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 FIRST (1ST) QUARTER ENDED 31 MARCH 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 31 March 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	-	-	-	23	23
Balance as at 31 March 2018	**42,005**	**-**	**(10,853)**	**1,600**	**32,752**
Preceding year corresponding period ended 31 March 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	-	-	-	493	493
Transaction with owners					
Interim dividends		-	-	(2,000)	(2,000)
Transfer pursuant to Companies Act 2016	14,005	(14,005)	-	-	-
Balance as at 31 March 2017	**34,005**	**-**	**(10,853)**	**504**	**23,656**

(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 FIRST (1ST) QUARTER ENDED 31 MARCH 2018

	Current year to date 31 March 2018 RM'000	Preceding year to date 31 March 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	50	501
Adjustments for:		
Depreciation of property, plant and equipment	282	288
Income distribution received from short term funds	(121)	(161)
Interest expense	8	10
Interest from finance lease	(233)	(191)
Unrealised gain on foreign exchange	(123)	-
Operating (loss) / profit before working capital changes	(137)	447
Changes in working capital:		
Trade and other receivables	1,065	(2,490)
Inventory	4	15
Lease receivables	287	(1,137)
Trade and other payables	488	1,367
	1,844	(2,245)
Cash generated from / (used in) operations	1,707	(1,798)
Tax paid	(27)	(8)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	1,680	(1,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(44)
Interest received	121	161
NET CASH FROM INVESTING ACTIVITIES	121	117
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to holding company in respect of profit guarantee	(1,500)	-
Repayment of hire purchase payable	(6)	(6)
Interest on hire purchase	(1)	(1)
Repayment of term loan	(19)	(18)
Interest on term loan	(7)	(8)
NET CASH USED IN FINANCING ACTIVITIES	(1,533)	(33)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	268	(1,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,797	22,040

	Current year to date 31 March 2018 RM'000	Preceding year to date 31 March 2017 RM'000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	16,065	20,318
Cash and cash equivalents comprised the following:		
Cash and bank balances	3,491	1,484
Short term funds	12,574	18,834
	16,065	20,318

(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 FIRST (1ST) QUARTER ENDED 31 MARCH 2018

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 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 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 current period. 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 liabilities and deferred tax liabilities.

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

	3 months ended		**3 months ended**	
		Restated		**Restated**
	31 Mar 2018 RM'000	**31 Mar 2017 RM'000**	**31 Mar 2018 RM'000**	**31 Mar 2017 RM'000**
Segment revenue				
Sharing platform	1,088	1,612	1,088	1,612
GreenTech Solutions	55	1,366	55	1,366
IoT Solutions	3,862	2,990	3,862	2,990
Big Data Analytics	-	-	-	-
FinTech	852	714	852	714
Others	-	-	-	-
Total revenue	**5,857**	**6,682**	**5,857**	**6,682**
Segment operating profit / (loss) before tax				
Sharing platform	645	956	645	956
GreenTech Solutions	(128)	209	(128)	209
IoT Solutions	72	263	72	263
Big Data Analytics	(272)	(425)	(272)	(425)
FinTech	400	281	400	281
Others	(667)	(783)	(667)	(783)
Operating profit before tax	**50**	**501**	**50**	**501**

		Restated
	31 Mar 2018 RM'000	**31 Mar 2017 RM'000**
Segment Assets		
Sharing platform	9,279	11,170
GreenTech Solutions	8,558	5,752
IoT Solutions	10,109	4,632
Big Data Analytics	200	-
FinTech	3,545	1,534
Others	10,645	18,972
Total Assets	42,336	42,060
Segment Liabilities		
Sharing platform	671	1,310
GreenTech Solutions	-	942
IoT Solutions	6,155	1,376
Big Data Analytics	-	-

	31 Mar 2018 RM'000	Restated 31 Mar 2017 RM'000
FinTech	258	276
Others	1,856	14,289
Total Liabilities	8,940	18,193

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

	3 months ended		3 months ended	
	31 Mar 2018 RM'000	Restated 31 Mar 2017 RM'000	31 Mar 2018 RM'000	Restated 31 Mar 2017 RM'000
Malaysia	5,623	6,181	5,623	6,181
Bangladesh	234	501	234	501
Total	5,857	6,682	5,857	6,682

Year to date revenue from Malaysia and Bangladesh contributed to approximately 96% and 4% 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 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			3 months ended		
	31 Mar 2018 RM'000	Restated 31 Mar 2017 RM'000	Changes %	31 Mar 2018 RM'000	Restated 31 Mar 2017 RM'000	Changes %
Revenue	5,857	6,682	(12)	5,857	6,682	(12)
Operating Profit	58	511	(89)	58	511	(89)
Profit Before Interest and Tax	58	511	(89)	58	511	(89)
Profit Before Tax	50	501	(90)	50	501	(90)
Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	23	493	(95)	23	493	(95)

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

The Group recorded revenue of RM5.86 million and operating profit before tax of RM0.05 million in 1Q 2018 as compared to revenue of RM6.68 million and operating profit before tax of RM0.50 million in 1Q 2017. Total revenue decreased by 12.35% in the current quarter under review. The decline in performance is mainly due to lower revenue contributions from Sharing platform and GreenTech solutions segments in 1Q 2018 as compared to 1Q 2017. Nevertheless, revenue contributions from IOT solutions and FinTech segments improved in 1Q 2018 as compared to the previous corresponding period last year. Further details are discussed in segmental analysis section.

(ii) Statement of financial position

As at 31 March 2018, total equity attributable to owners of the Company was RM32.75 million as compared to RM32.73 million as at 31 December 2017. Total assets decreased by 2.34% to RM42.34 million as compared to RM43.35 million as at 31 December 2017. Likewise, total liabilities decreased by 9.77% to RM9.58 million as compared to RM10.62 million as at 31 December 2017.

(iii) Statement of Cash Flows

The net cash generated from operating activities of the Group was RM1.68 million for the three (3) months ended 31 March 2018 as compared to net cash used in operating activities of RM1.81 million in the previous corresponding period in 2017.

Net cash arising from investing activities was RM0.12 million in the three (3) months ended 31 March 2018, a 3.4% increment as compared to the previous corresponding period in 2017.

Net cash used in financing activities was RM1.53 million during the period against RM0.03 million for the corresponding period in 2017. The Company had on 9 March 2018 released RM1.5 million of the cash consideration, which was retained as security for the purpose of the profit guarantee in relation to the acquisition of Sedania As Salam Capital Sdn. Bhd., to Sedania Corporation Sdn. Bhd.

Overall cash and cash equivalent increased by RM0.27 million as compared with opening cash and cash equivalents as at 1 January 2018. The cash and cash equivalents of the Group was RM16.06 million at 31 March 2018.

Segmental analysis

a. Current quarter ended 31 March 2018 ("1Q 2018") compared with previous corresponding quarter ended 31 March 2017 ("1Q 2017"):

Sharing platform

Sharing platform recorded a revenue of RM1.08 million in 1Q 2018, a decrease of 32.51% as compared to RM1.61 million in 1Q 2017. In 1Q 2018, the Sharing platform recorded a segment operating profit before tax of RM0.65 million as compared to segment operating profit before tax of RM0.96 million in 1Q 2017. During the quarter under review, the Sharing platform segment processed 8,694,460 number of successful transactions, a decrease of 26.81% as compared to 11,880,002 number of successful transactions in 1Q 2017. 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 1Q 2018 was RM0.06 million as compared to RM1.37 million in 1Q 2017. Revenue in 1Q 2017 includes recognition of a finance lease. Revenue from this segment is a continuation of the existing contract with a partner for GreenTech solutions for a financial institution.

The segment operating loss before tax in the current quarter was RM0.13 million as compared to segment operating profit before tax of RM0.21 million in 1Q 2017. This was due to common operating expenses allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

IoT solutions

The revenue recorded for 1Q 2018 was RM3.86 million against a revenue of RM2.99 million for the corresponding quarter in 2017. During the 1Q 2018, revenue from this segment were contributed from IoT solutions for a fire safety portal and a transportation system. Up to 1Q 2018, we have supplied 1,200 units of IOT solutions for the fire safety portal. Accordingly the Group recorded a segment operating profit before tax of RM0.07 million in 1Q 2018 as compared to segment operating profit of RM0.26 million in 1Q 2017. This was in part due to increase in segment costs and overheads in Q1 2018 as compared to Q1 2017.

Big Data Analytics

There are no revenue recorded from this segment in both 1Q 2018 and 1Q 2017. Nevertheless, the segment recorded operating loss before tax of RM0.27 million as compared to segment operating loss of RM0.43 million in 1Q 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 1Q 2018, FinTech segment revenue were RM0.85 million, an increase of 19.33% as compared to RM0.71 million in 1Q 2017. This is consistent with the increase in customer base from 22 financial services companies ("FSC") in early 2017 to 41 FSC by the FYE 2017. As a result, the segment operating profit increased by 42.35% from RM0.28 million in 1Q 2017 to RM0.40 million in 1Q 2018.

Others

This segment comprises operations relating to investment holding. The segment recorded a segment operating loss before tax of RM0.67 million in 1Q 2018 as compared to segment operating loss of RM0.78 million in 1Q 2017. The operating loss before tax improved by 14.81% as a result of disciplined management of overheads incurred by the investment holding company.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		**Changes**
		Restated	
	31 Mar 2018	**31 Dec 2017**	**%**
	RM'000	**RM'000**	
Revenue	5,857	6,647	(12)
Operating Profit	58	860	(93)
Profit Before Interest and Tax	58	860	(93)
Profit Before Tax	50	851	(94)
Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	23	386	(94)

In the current quarter ended 31 March 2018, the Group generated revenue of RM5.86 million, a decrease of RM0.79 million or 11.89% as compared to the revenue of RM6.65 million in the immediate preceding quarter.

The Group recorded a reduced profit before tax of RM0.05 million for the current quarter under review as compared to profit before tax of RM0.85 million in the immediate preceding quarter. Profit after tax amounts to RM0.02 million as compared to profit after tax of RM0.39 million in the immediate preceding quarter.

B3. Prospects for 2018

With the completion of the acquisition of SASC in 2017, the Company has expanded its service offerings into the provision of FinTech, on top of the existing Sharing platform, 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		3 months ended	
		Restated		Restated
	31 Mar 2018 RM'000	31 Mar 2017 RM'000	31 Mar 2018 RM'000	31 Mar 2017 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	27	8	27	8
Tax expense for the financial period	27	8	27	8

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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 resolved to approve the extension of time application.

There are no other corporate proposals, which have been announced but not completed as at 31 May 2018, being the date of this report.

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B7. Borrowings

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

	As at 1st quarter ended 2018		
	Long term	Short term	Total
Secured – property term loan*	567	74	641
Unsecured – hire purchase payable**	56	25	81

	As at 1st quarter ended 2017		
	Long term	Short term	Total
Secured – property term loan	643	74	717
Unsecured - hire purchase payable	79	25	104

*The term loan is secured by a first legal charge against the Group'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		3 months ended	
		Restated		Restated
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Profit attributable to owners of the parent (RM'000)	23	493	23	493
Weighted average number of ordinary shares in issue ('000)	225,806	200,000	225,806	200,000
Basic earnings per share (sen)	0.01	0.25	0.01	0.25

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

Included in profit before taxation are the following expense/(income) items: -

	3 months ended 31 Mar 2018 RM'000	Restated 3 months ended 31 Mar 2017 RM'000	3 months ended 31 Mar 2018 RM'000	Restated 3 months ended 31 Mar 2017 RM'000
Depreciation and amortisation expenses	282	288	282	288
(Gain)/Loss on foreign exchange				
- realised	(73)	11	(73)	11
- unrealised	123	-	123	-
Income distribution received from short term funds	(121)	(161)	(121)	(161)
Interest expense	8	10	8	10

By Order of the Board

TIA HWEI PING (MAICSA 7057636)
Company Secretary

Kuala Lumpur
31 May 2018