



SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)

(“SIB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2018**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2018

	<i>Quarter Ended</i>			<i>Year-To-Date Ended</i>		
	30 Jun 2018 RM'000	Restated	Changes %	30 Jun 2018 RM'000	Restated	Changes %
		30 Jun 2017 RM'000			30 Jun 2017 RM'000	
Revenue	2,327	6,871	(66)	8,183	13,554	(40)
Other income	347	1,127	(69)	755	1,494	(49)
Administration expenses	(3,150)	(7,631)	(59)	(9,356)	(14,188)	(34)
(Loss) / Profit from operations	(476)	367	(230)	(418)	860	(149)
Finance costs	(8)	(9)	(11)	(16)	(19)	(16)
(Loss) / Profit before taxation	(484)	358	(235)	(434)	841	(152)
Taxation	(210)	(8)	2,525	(237)	(17)	1,294
Net (loss) / profit for the period, representing total comprehensive (loss) / income	(694)	350	(298)	(671)	824	(181)
NET PROFIT / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(694)	350	(298)	(671)	824	(181)
- Non-controlling interests	-	-	-	-	-	-
	(694)	350	(298)	(671)	824	(181)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:						
- Owners of the parent	(694)	350	(298)	(671)	824	(181)
- Non-controlling interests	-	-	-	-	-	-
	(694)	350	(298)	(671)	824	(181)
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	(0.307)	0.175	(275)	(0.297)	0.412	(172)
- Diluted	(0.307)	0.175	(275)	(0.297)	0.412	(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 2017 and the accompanying explanatory notes attached to this interim financial report.)

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

	Unaudited as at 30 June 2018 RM'000	Audited as at 31 December 2017 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	2,953	3,504
Lease receivables	4,417	5,096
	7,370	8,600
CURRENT ASSETS		
Receivables, deposit & prepayments	16,032	17,722
Lease receivables	1,309	1,216
Inventory	9	16
Short term funds	13,017	14,073
Cash and bank balances	2,175	1,724
	32,542	34,751
TOTAL ASSETS	39,912	43,351
EQUITY		
Share capital	42,005	42,005
Reserves	(9,948)	(9,276)
Equity attributable to owners of the parent	32,057	32,729
TOTAL EQUITY	32,057	32,729
NON-CURRENT LIABILITIES		
Bank borrowing	548	587
Hire purchase liabilities	56	62
Deferred tax liabilities	56	56
	660	705
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	6,514	9,230
Hire purchase liabilities	19	25
Bank borrowing	74	74
Current tax liabilities	588	588
	7,195	9,917
TOTAL LIABILITIES	7,855	10,622
TOTAL EQUITY AND LIABILITIES	39,912	43,351
NET ASSETS PER SHARE (Sen)	14.20	14.49

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2018

	←----- -Non-Distributable----- →			Distributable	
	Share Capital RM'000	Share Premium RM'000	Reorganisation Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
Current year-to-date ended 30 June 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	-	-	-	(671)	(663)
Balance as at 30 June 2018	42,005	-	(10,853)	906	32,058
Preceding year corresponding period ended 30 June 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	-	-	-	824	824
Transaction with owners					
Interim dividends	-	-	-	(2,000)	(2,000)
Transfer pursuant to Companies Act 2016	14,005	(14,005)	-	-	-
Balance as at 30 June 2017	34,005	-	(10,853)	835	23,987

(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 SECOND (2nd) QUARTER ENDED 30 JUNE 2018

	Current year to date 30 June 2018 RM'000	Preceding year to date 30 June 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(434)	841
Adjustments for:		
Depreciation of property, plant and equipment	563	575
Income distribution received from short term funds	(234)	(306)
Interest expense	16	18
Interest from finance lease	(455)	(375)
Unrealised gain on foreign exchange	(123)	-
Impairment loss on receivables	9	-
Operating (loss) / profit before working capital changes	(658)	753
Changes in working capital:		
Trade and other receivables	2,258	(6,286)
Inventory	7	7
Lease receivables	584	(943)
Trade and other payables	(1,216)	2,400
	1,633	(4,822)
Cash generated from / (used in) operations	975	(4,069)
Tax paid	(237)	(17)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	738	(4,086)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12)	(49)
Interest received	235	306
NET CASH FROM INVESTING ACTIVITIES	223	257
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment to holding company in respect of profit guarantee	(1,500)	-
Repayment of hire purchase payable	(12)	(11)
Interest on hire purchase	(2)	(4)
Repayment of term loan	(38)	(37)
Interest on term loan	(14)	(16)
Dividend paid	-	(2,000)
NET CASH USED IN FINANCING ACTIVITIES	(1,566)	(2,068)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(605)	(5,895)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	15,797	22,040

	Current year to date 30 June 2018 RM'000	Preceding year to date 30 June 2017 RM'000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,192	16,145
Cash and cash equivalents comprised the following:		
Cash and bank balances	2,175	2,635
Short term funds	13,017	13,510
	<u>15,192</u>	<u>16,145</u>

(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 SECOND (2ND) QUARTER ENDED 30 JUNE 2018

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

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities.

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

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

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

A2. Changes in Accounting Policies

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

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

Title	Effective Date
Amendments to MFRS 1 <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</i>	1 January 2018

2014 – 2016 Cycle

IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* 1 January 2018

Amendments to MFRS 140 *Transfers of Investment Property* 1 January 2018

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

MFRS 9 Financial Instruments

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

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

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

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

Standards issued but not yet effective

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

Title	Effective Date
Amendments to MFRS 4 <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 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

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.

	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000
Others	1,726	12,266
Total Liabilities	7,211	17,203

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

	3 months ended		6 months ended	
	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000
Malaysia	2,126	6,531	7,747	12,713
Bangladesh	201	340	436	841
Total	2,327	6,871	8,183	13,554

Year to date revenue from Malaysia and Bangladesh contributed to approximately 94.67% and 5.33% 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			6 months ended		
	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000	Changes %	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000	Changes %
Revenue	2,327	6,871	(66)	8,183	13,554	(40)
Operating Profit (Loss) / Profit Before Interest and Tax	(476)	367	(230)	(418)	860	(149)
(Loss) / Profit Before Tax	(484)	358	(235)	(434)	841	(152)
(Loss) / Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	(694)	350	(298)	(671)	824	(181)

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

The Group recorded revenue of RM2.33 million and operating loss before tax of RM0.48 million in 2Q 2018 as compared to revenue of RM6.87 million and operating profit before tax of RM0.37 million in 2Q 2017. Total revenue decreased by 66% in the current quarter under review. The decline in performance is mainly due to lower revenue contributions from Sharing platform, GreenTech solutions, IOT as well as FinTech segments in 2Q 2018 as compared to 2Q 2017. Further details are discussed in segmental analysis section.

(ii) Statement of financial position

As at 30 June 2018, total equity attributable to owners of the Company was RM32.06 million as compared to RM32.73 million as at 31 December 2017. Total assets decreased by 7.93% to RM39.91 million as compared to RM43.35 million as at 31 December 2017. Likewise, total liabilities decreased by 26.05% to RM7.85 million as compared to RM10.62 million as at 31 December 2017.

(iii) Statement of Cash Flows

The net cash used in operating activities of the Group was RM0.74 million for the six (6) months ended 30 June 2018 as compared to net cash used in operating activities of RM4.09 million in the previous corresponding period in 2017.

Net cash arising from investing activities was RM0.22 million in the six (6) months ended 30 June 2018, a 13.23% decrease as compared to the previous corresponding period in 2017.

Net cash used in financing activities was RM1.57 million during the period against RM2.07 million for the corresponding period in 2017.

Overall cash and cash equivalent decreased by RM0.61 million as compared with opening cash and cash equivalents as at 1 January 2018. The cash and cash equivalents of the Group was RM15.19 million at 30 June 2018.

Segmental analysis

a. Current quarter ended 30 June 2018 (“2Q 2018”) compared with previous corresponding quarter ended 30 June 2017 (“2Q 2017”):

Sharing platform

Sharing platform recorded a revenue of RM1.09 million in 2Q 2018, a decrease of 23.42% as compared to RM1.43 million in 2Q 2017. However, as a result of prudent cost allocation between segments in 2Q 2018, the Sharing platform recorded a 238% increase of segment operating profit before tax, from RM0.14 million in 2Q 2017 to RM0.48 million in 2Q 2018.

Green Technology solutions

The revenue recorded in 2Q 2018 was RM0.44 million as compared to RM0.78 million in 2Q 2017. Revenue from this segment is a continuation of the existing contract with a partner for GreenTech solutions for a financial institution.

The segment suffered operating loss before tax in the current quarter of RM0.12 million as compared to segment operating profit before tax of RM0.21 million in 2Q 2017. This was due to common operating expenses/indirect cost allocated on a reasonable basis to this segment for whose benefit the expense was incurred.

IoT solutions

There is no revenue recorded from this segment in 2Q 2018, as compared to a revenue of RM3.91 million in 2Q 2017. IoT solutions for a fire safety system has been delivered in the last quarter. The group is looking forward to more orders in the future.

Nevertheless, the segment recorded an operating loss before tax of RM0.47 million in 2Q 2018 as compared to segment operating profit of RM4.73 million in 2Q 2017 due to increase in segment costs and overheads in Q2 2018 as compared to Q2 2017.

Big Data Analytics

There are no revenue recorded from this segment in both 2Q 2018 and 2Q 2017. However, the segment recorded an operating loss before tax of RM0.37 million as compared to segment operating loss of RM0.12 million in 2Q 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 2Q 2018, FinTech segment revenue were RM0.80 million, an increase of 5.97% as compared to RM0.75 million in 2Q 2017. The segment operating profit increased by 332.89% from RM0.07 million in 2Q 2017 to RM0.33 million in 2Q 2018. This is mainly due to a 66.35% reduction in staff costs and overheads, from RM0.46 million in 2Q 2017 to RM0.28 million in 2Q 2018.

Others

This segment comprises operations relating to investment holding. The segment recorded a segment operating loss before tax of RM0.32 million in 2Q 2018 as compared to segment operating loss of RM0.42 million in 2Q 2017. The operating loss before tax improved by 23.58% 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 %
	30 June 2018 RM'000	31 Mar 2018 RM'000	
Revenue	2,327	5,857	(60)
Operating (Loss) / Profit	(476)	58	(921)
(Loss) / Profit Before Interest and Tax	(476)	58	(921)
(Loss) / Profit Before Tax	(484)	50	(1,068)
(Loss) / Profit After Tax & Attributable to Ordinary Equity Holders of the Parent	(694)	23	(3,117)

Total revenue decreased by RM3.53 million or 60% from RM5.86 million in Q1 2018 to RM2.23 million in the current quarter under review. The Group suffered a quarterly revenue decline in comparison with the immediate preceding quarter as a result of a reduction in revenue contributions mainly from IoT segment.

The Group recorded a loss before tax of RM0.48 million for the current quarter under review as compared to profit before tax of RM0.05 million in the immediate preceding quarter. Loss after tax amounts to RM0.69 million as compared to profit after tax of RM0.02 million in the immediate preceding quarter.

B3. Prospects for 2018

With the completion of the acquisition of Sedania As Salam Capital in 2017, the Company has expanded its service offerings into the Fintech space and laid the foundation to develop and market new digital financial products and services. The Company has already launched a new product under the As-Sidq product family and continues to bring to market innovative software platforms for financial institutions.

Despite an initial delay, the Company has made substantial progress in its Greentech vertical. While Greentech projects typically have a longer execution time, the Company is expecting first notable revenue contributions this year. Furthermore, the increasing energy tariffs and the positive market response towards the Company's energy-saving proposition indicate an optimistic outlook for Greentech.

Although market conditions remain challenging for the Company's Business-to-business ("B2B")-centric Internet of Things market in 2018, the Company remains optimistic due to its research and development ("R&D") investment in new, innovative Business-to-consumer ("B2C") products which are expected to add additional revenue streams in the near future.

The Company is still committed to its investment efforts in its Big Data Analytics vertical, and is hopeful to announce its progress in current financial year.

The software services to the mobile telecommunication industry in Malaysia and Bangladesh remain challenged due to a highly competitive landscape in third-party services as well as the global transformation in the telco industry. Nevertheless, the Company is aware of the fast-changing user behaviour and is currently developing innovative new services for the telco customers (B2B) as well as for the mobile users directly (B2C) to generate new revenue growth.

The Board of Directors has considered the current market challenges as well as the Company's development in new services and products, and thus, is of the opinion that the Group's outlook remains positive for the financial year ending 31 December 2018.

B4. Profit forecast

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

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B5. Taxation

	3 months ended		6 months ended	
	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000	30 Jun 2018 RM'000	Restated 30 Jun 2017 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	210	8	237	17
Tax expense for the financial period	210	8	237	17

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 30 August 2018, being the date of this report.

B7. Borrowings

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

	As at 2 nd quarter ended 2018		
	Long term	Short term	Total
Secured – property term loan*	548	74	622
Unsecured – hire purchase payable**	56	19	75

	As at 2 nd quarter ended 2017		
	Long term	Short term	Total
Secured – property term loan	624	74	698
Unsecured - hire purchase payable	74	24	98

*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.

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B10. Earnings per share

The basic earnings per share are calculated as follows: -

	3 months ended		6 months ended	
	30 Jun 2018	Restated 30 Jun 2017	30 Jun 2018	Restated 30 Jun 2017
(Loss) /Profit attributable to owners of the parent (RM'000)	(694)	350	(671)	824
Weighted average number of ordinary shares in issue ('000)	225,806	200,000	225,806	200,000
Basic (loss) / earnings per share (sen)	(0.307)	0.175	(0.297)	0.412

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	Restated	6 months ended	Restated
	30 Jun 2018 RM'000	30 Jun 2017 RM'000	30 Jun 2018 RM'000	30 Jun 2017 RM'000
Depreciation and amortisation expenses	281	287	563	575
(Gain)/Loss on foreign exchange				
- realised	-	-	(73)	10
- unrealised	-	-	123	-
Impairment loss on receivable	9	-	9	-
Income distribution received from short term funds	(114)	(145)	(234)	(306)
Interest expense	8	9	16	18

By Order of the Board

CHUA SIEW CHUAN (MAICSA 0777689)

CHENG CHIA PING (MAICSA 1032514)

Company Secretaries

Kuala Lumpur
30 August 2018