



SEDANIA INNOVATOR BERHAD
(Company No. 1074350-A)
(“SEDANIA” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
FOURTH (4th) QUARTER ENDED 31 DECEMBER 2015**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2015

	<----Individual Quarter ---->		<----Cumulative Quarter ---->	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Revenue	1,720	2,786	8,704	11,483
Other income	776	266	1,178	520
Administration expenses	<u>(2,542)</u>	<u>(1,416)</u>	<u>(8,542)</u>	<u>(5,364)</u>
(Loss) / Profit from operations	(46)	1,636	1,340	6,639
Finance costs	<u>(11)</u>	<u>-</u>	<u>(30)</u>	<u>(4)</u>
(Loss) / Profit before taxation	(57)	1,636	1,310	6,635
Taxation	<u>115</u>	<u>(154)</u>	<u>538</u>	<u>(177)</u>
Net profit for the financial year, representing total comprehensive income	<u>58</u>	<u>1,482</u>	<u>1,848</u>	<u>6,458</u>
NET PROFIT/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	58	1,482	1,848	6,470
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12)</u>
	<u>58</u>	<u>1,482</u>	<u>1,848</u>	<u>6,458</u>
Weighted average number of ordinary shares ('000)	200,000	148,533 ¹	174,760	65,517 ¹
Earnings per share attributable to owners of the parent (RM):				
- Basic	0.0003	0.01	0.011	0.10
- Diluted	0.0003	0.01	0.011	0.10

(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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

¹ Includes 148,532,800 shares issued on 24 July 2014 for the acquisition of IDOTTV pursuant to the listing of Sedania on the ACE Market of Bursa Malaysia Securities Berhad. The issued and paid up share capital of Sedania up to 21 July 2014 was RM2 comprising 2 shares of RM1 each. Further details on the changes in the issued and paid-up share capital of Sedania can be found in the prospectus of the Company dated 9 June 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Unaudited As at 31 December 2015 RM'000	Audited As at 31 December 2014 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	4,369	2,662
	<u>4,369</u>	<u>2,662</u>
CURRENT ASSETS		
Trade receivables	4,732	5,229
Other receivables	467	8,522
Short term funds	33,774	4,866
Cash and bank balances	389	639
	<u>39,362</u>	<u>19,256</u>
TOTAL ASSETS	<u>43,731</u>	<u>21,918</u>
EQUITY		
Share capital	20,000	14,853
Reserves	20,323	6,470
Equity attributable to owners of the parent	<u>40,323</u>	<u>21,323</u>
TOTAL EQUITY	<u>40,323</u>	<u>21,323</u>
NON-CURRENT LIABILITIES		
Bank borrowings	736	-
Deferred tax liabilities	88	53
	<u>824</u>	<u>53</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (CONT'D)

	Unaudited As at 31 December 2015 RM'000	Audited As at 31 December 2014 RM'000
CURRENT LIABILITIES		
Trade payables	-	-
Other payables	465	313
Dividend payable	2,000	-
Bank borrowings	71	-
Current tax liabilities	48	229
	2,584	542
TOTAL LIABILITIES	3,408	595
TOTAL EQUITY AND LIABILITIES	43,731	21,918
NET ASSETS PER SHARE (RM)	0.21	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 2014 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2015

	←----- -Non-Distributable-----→			Distributable		Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Reorganisation Reserve RM'000	Retained Profits RM'000	Non-controlling Interests RM'000	
Current year-to-date ended 31 December 2015						
Balance as at 1 January 2015	14,853	-	(853)	7,323	-	21,323
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	1,848	-	1,848
Transactions with owners						
Public Issue, net of issuance expenses	5,147	14,005	-	-	-	19,152
Interim dividend declared				(2,000)		(2,000)
Balance as at 31 December 2015	20,000	14,005	(853)	7,171	-	40,323
Preceding year corresponding period ended 31 December 2014						
Balance as at 1 January 2014	2,000	-	-	12,853	(65)	14,788
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	6,470	(12)	6,458
Transactions with owners						
Adjustment arising from restructuring exercise	12,853	-	(853)	(12,000)	-	-
Disposal of a subsidiary	-	-	-	-	77	77
Balance as at 31 December 2014	14,853	-	(853)	7,323	-	21,323

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2015

	Current year to date 31 Dec 2015 RM'000	Preceding year to date 31 Dec 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,310	6,635
Adjustments for:		
Deposit written off	-	7
Depreciation of property, plant and equipment	742	326
Gain on disposal of property, plant and equipment	(1)	(137)
Gain on disposal of a subsidiary	-	(187)
Impairment loss on other receivables	170	-
Interest income	(624)	(106)
Interest expense	30	4
Unrealised gain on foreign exchange	(164)	(89)
Operating profit before working capital changes	<u>1,463</u>	<u>6,453</u>
Changes in working capital:		
Trade receivables	(60)	(2,579)
Other receivables	(55)	383
Trade payables	-	-
Other payables	148	(178)
	<u>33</u>	<u>(2,374)</u>
Cash generated from operations	<u>1,496</u>	<u>4,079</u>
Interest paid	(27)	(4)
Interest received	624	106
Tax paid	(212)	(115)
Tax refunded	604	-
NET CASH FROM OPERATING ACTIVITIES	<u>2,485</u>	<u>4,066</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,727)	(1,621)
Proceeds from disposal of property, plant and equipment	1	150
Repayment from ultimate holding company	7,940	-
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	<u>6,214</u>	<u>(1,471)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Public Issue, net of issuance expenses	19,152	-
Drawdown of term loan	850	-
Repayment of term loan	(43)	-

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	Current year to date 31 Dec 2015 RM'000	Preceding year to date 31 Dec 2014 RM'000
Repayment of hire purchase liabilities	-	(97)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>19,959</u>	<u>(97)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,658	2,498
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>5,505</u>	<u>3,007</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>34,163</u>	<u>5,505</u>
Cash and bank balances	389	639
Short term funds	<u>33,774</u>	<u>4,866</u>
	<u>34,163</u>	<u>5,505</u>

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2015

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015.

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 2014, except for the effects of the following newly issued MFRS applied during the current financial period:

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial periods beginning on or after
<i>Amendments to MFRS 119</i>	<i>Defined Benefits Plans: Employee Contributions</i>
	<i>1 July 2014</i>
<i>Annual Improvements to MFRSs 2010 – 2012 Cycle</i>	<i>1 July 2014</i>
<i>Annual Improvements to MFRSs 2011 – 2013 Cycle</i>	<i>1 July 2014</i>

The Group has not adopted the following Standards of MFRS Framework that have been issued but not yet effective:

<i>MFRS 14</i>	<i>Regulatory Deferral Accounts</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 11</i>	<i>Accounting for Acquisitions of Interests in Joint Operations</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 101</i>	<i>Disclosure Initiative</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 116 and MFRS 138</i>	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 116 and MFRS 141</i>	<i>Agriculture: Bearer Plants</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 127</i>	<i>Equity Method in Separate Financial Statements</i>	<i>1 January 2016</i>
<i>Amendments to MFRS 10 and MFRS 128</i>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>1 January 2016</i>

A1. Accounting policies and methods of computation (cont'd)

MFRS and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial periods beginning on or after
<i>Annual Improvements to MFRSs 2012–2014 Cycle</i>	<i>1 January 2016</i>
<i>Amendments to Investment Entities: Applying the MFRS 10, MFRS 12 and MFRS 128</i>	<i>1 January 2016</i>
<i>MFRS 15 Revenue from Contracts with Customers</i>	<i>1 January 2018</i>
<i>MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	<i>1 January 2018</i>

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 2014.

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 Group's revenue based on geographical location of its customers is presented as follows:

	3 months ended		12 months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Malaysia	1,211	2,195	6,510	9,210
Bangladesh	508	591	2,366	2,273
Indonesia	1	n/a	28	n/a
Total	1,720	2,786	8,704	11,483

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in the provision of Airtime Sharing ("ATS") services locally and overseas.

Year to date revenue from Malaysia and Bangladesh contributed to approximately 72.50% and 27.18% respectively of the Group's total revenue. Revenue from Indonesia represents pre-sales income from proof-of-concept.

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 commitments

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

A10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

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. Analysis of performance

For the current quarter under review, the Group registered a profit after tax of RM0.06 million on sales turnover of RM1.72 million. The revenue was mainly derived from the provision of ATS services, which has contributed approximately 99% to the Group's revenue.

The Group posted revenue of RM8.70 million for the twelve (12) months period ended 31 December 2015, which was RM2.78 million or 24.20% lower as compared to RM11.48 million in the corresponding year ended 31 December 2014. The decrease in revenue is due to lower average number of transactions per day recorded for the Group's ATS services.

The Group recorded profit before tax of RM1.31 million for the twelve (12) months period ended 31 December 2015. The decrease in profit before tax was mainly due to the drop in revenue and the increase in operating and administration expenses in line with the Group's expansion plans, including marketing, research & development ("R&D"), listing related expenses for the Initial Public Offering ("IPO"), recurring post-listing expenses and non-recurring expenses such as expenses in relation to Employees' Share Option Scheme (ESOS) during the financial year.

The Group recorded profit after tax of RM1.85 million for the cumulative quarter ended 31 December 2015, a decrease of RM4.61 million as compared to profit after tax of RM6.46 million in the corresponding cumulative quarter.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance
	31 Dec 2015 RM'000	30 Sept 2015 RM'000	RM '000
Revenue	1,720	2,198	(478)
(Loss) / Profit before taxation	(57)	189	(246)

In the current quarter ended 31 December 2015, the Group generated revenue of RM1.72 million, a 21.75% decrease from the previous quarter ended 30 September 2015 of RM2.20 million. The decrease in revenue is due to lower average number of transactions per day recorded for the Group's ATS services in the current quarter as compared to the previous quarter.

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As a result of lower revenue and higher operating and administration expenses as disclosed in B1 above, the Group posted a loss before taxation of RM0.06 million in the current quarter as compared to profit before taxation for the previous quarter ended 30 September 2015. Included in the pre-tax loss was an impairment loss of other receivables amounting to RM0.17 million.

B3. Prospects for 2016

In 2015, the Group has launched Enhanced Favourite Number and ATS Community Portal/ATS Loyalty Points, Enhanced Schedule Transfer and Application based ATS. The Group has also expanded its customer base by signing up with a new Mobile Network Operator (“MNO”) and a Mobile Virtual Network Operator (“MVNO”) partners. All the above form part of the series of plans and strategies to further expand the business of the Group in 2016.

In addition to the above, the Group’s other future plans and strategies targeted for implementation, include continuous development of new products and services such as the enhanced GreenBilling© mobile application and data sharing platform.

The Group will continuously seek opportunities for business growth and look for new markets by way of capitalising the strength of the business venture with strategic partners.

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 2015 RM’000	31 Dec 2014 RM’000	31 Dec 2015 RM’000	31 Dec 2014 RM’000
Tax expense recognized in profit or loss:				
Current tax provision	122	121	148	143
(Over)/Under provision in prior years	(272)	(12)	(721)	(12)
	(150)	109	(573)	131
Deferred tax:				
Relating to origination of temporary differences	46	44	46	44
Over provision in prior years	(11)	2	(11)	2
	35	46	35	46
Tax expense / (refund) for the financial period	(115)	155	(538)	177

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IDOTTV, a wholly-owned subsidiary of the Company, was awarded Multimedia Super Corridor (MSC) Malaysia Status Company. Accordingly, MSC Malaysia qualifying activities of IDOTTV, namely research, development and commercialisation of mobile solutions and related services, will be exempted from tax in each financial year from 10 May 2011 until 9 May 2016.

B6. Status of corporate proposals and utilisation of proceeds

(i) **Status of corporate proposal**

There is no corporate proposal announced but not completed as at the date of this report.

(ii) **Utilisation of proceeds**

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

Purpose	Estimated Timeframe for Utilisation upon Listing	Amount Allocated RM'000	Amount Utilised as at 31 Dec 2015 RM'000	Balance of IPO Proceeds as at 31 Dec 2015 RM'000
Capital Expenditure	24 months	4,000	860	3,140
Marketing Expenses	24 months	4,100	306	3,794
R&D Expenses	12 months	2,500	862	1,638
Working capital*	24 months	6,757	1,868	4,889
Listing expenses*	3 months	2,200	1,083	1,117
		<u>19,557</u>	<u>4,979</u>	<u>14,578</u>

*The total listing expenses amounted to RM1.99 million, of which RM906,221 was paid from the Company's internally generated funds as at 31 December 2014 and a further RM1.08 million was utilised up to 30 September 2015. As such, the balance of RM1.12 million to be reallocated for use as working capital for the Group.

The above utilisation of proceeds should be read in conjunction with the prospectus of the Company dated 9 June 2015.

B7. Borrowings

The Group's borrowings as at 31 December 2015 are as follows:

	RM'000
Secured	
Term loan*	
- not later than one (1) year	71
- later than one (1) year but not later than five (5) years	736
Total bank borrowings	<u>807</u>

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

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

The Board of Directors has approved and declared a first interim single tier dividend of one (1) sen per ordinary share of RM0.10 each in respect of the financial year ending 31 December 2015. The first interim dividend will be paid on 29 February 2016 to shareholders whose names appear on the Company's Record of Depositors on 19 February 2016 .

B10. Earnings per share

The basic earnings per share are calculated as follows:

	3 months ended		12 months ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Profit attributable to owners of the parent (RM'000)	58	1,482	1,848	6,458
Weighted average number of ordinary shares in issue ('000)	200,000	148,533 ¹	174,760	65,517 ¹
Basic earnings per share (RM)	0.0003	0.01	0.011	0.10

¹ Includes 148,532,800 shares issued on 24 July 2014 for the acquisition of IDOTTV pursuant to the listing of Sedania on the ACE Market of Bursa Malaysia Securities Berhad. The issued and paid up share capital of Sedania up to 21 July 2014 was RM2 comprising 2 shares of RM1 each. Further details on the

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changes in the issued and paid-up share capital of Sedania can be found in the prospectus of the Company dated 9 June 2015.

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

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

	3 months ended 31 Dec 2015 RM'000	3 months ended 31 Dec 2014 RM'000	12 months ended 31 Dec 2015 RM'000	12 months ended 31 Dec 2014 RM'000
Deposits written off	-	7	-	7
Depreciation and amortisation expenses	226	111	742	326
Gain on disposal of a subsidiary	-	-	-	(187)
Gain on disposal of property, plant and equipment	-	(137)	(1)	(137)
Gain on foreign exchange				
- realised	(60)	-	(152)	-
- unrealised	(164)	(89)	(164)	(89)
Government Incentives	(200)	-	(200)	-
Impairment loss on other receivables	170	-	170	-
Interest income	(315)	(40)	(624)	(106)
Interest expense	11	-	30	4

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 December 2015 into realised and unrealised profits is as follows:

	As at 31 Dec 2015 RM'000	As at 31 Dec 2014 RM'000
Total retained profits of the Group:		
- Realised	7,095	7,287
- Unrealised	76	36
Total	<u>7,171</u>	<u>7,323</u>
Less: Consolidation adjustments	-	-
Total retained profits of the Group	<u>7,171</u>	<u>7,323</u>

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The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

By Order of the Board

SHAHNIZA ANOM ELIAS (LS0006472)

TIA HWEI PING (MAICSA 7057636)

Company Secretaries

Kuala Lumpur

29 February 2016