



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

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2015**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2015

	<----Individual Quarter ---->		<----Cumulative Quarter --->	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Revenue	2,207	n/a	4,787	n/a
Other income	120	n/a	195	n/a
Administration expenses	<u>(2,196)</u>	<u>n/a</u>	<u>(3,796)</u>	<u>n/a</u>
Profit from operations	131	n/a	1,186	n/a
Finance costs	<u>(9)</u>	<u>n/a</u>	<u>(9)</u>	<u>n/a</u>
Profit before taxation	122	n/a	1,177	n/a
Taxation	<u>(8)</u>	<u>n/a</u>	<u>432</u>	<u>n/a</u>
Net profit for the financial year, representing total comprehensive income	<u>114</u>	<u>n/a</u>	<u>1,609</u>	<u>n/a</u>
NET PROFIT/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
- Owners of the parent	114	n/a	1,609	n/a
- Non-controlling interests	<u>-</u>	<u>n/a</u>	<u>-</u>	<u>n/a</u>
	<u>114</u>	<u>n/a</u>	<u>1,609</u>	<u>n/a</u>
Weighted average number of ordinary shares ('000)	149,664	n/a	149,102	n/a
Earnings per share attributable to owners of the parent (RM):				
- Basic	0.001	n/a	0.011	n/a
- Diluted	0.001	n/a	0.011	n/a

Notes:

Comparative figures for the preceding year's corresponding financial periods are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Sedania, an investment holding company, was incorporated on 17 December 2013, but the Group was formed on 24 July 2015 upon the acquisition of IDOTTV.

n/a Not applicable.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Unaudited As at 30 June 2015 RM'000	Audited As at 31 December 2014 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	3,809	2,662
	3,809	2,662
CURRENT ASSETS		
Trade receivables	6,139	5,229
Other receivables	16,012	8,522
Fixed deposits with licensed banks	12,338	4,866
Cash and bank balances	5,451	639
	39,940	19,256
TOTAL ASSETS	43,749	21,918
EQUITY		
Share capital	20,000	14,853
Reserves	22,084	6,470
Equity attributable to owners of the parent	42,084	21,323
Non-controlling interests	-	-
TOTAL EQUITY	42,084	21,323
NON-CURRENT LIABILITIES		
Bank borrowings	833	-
Deferred tax liabilities	53	53
	886	53

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015 (CONT'D)

	Unaudited As at 30 June 2015 RM'000	Audited As at 31 December 2014 RM'000
CURRENT LIABILITIES		
Trade payables	-	-
Other payables	550	313
Current tax liabilities	229	229
	779	542
TOTAL LIABILITIES	1,665	595
TOTAL EQUITY AND LIABILITIES	43,749	21,918
NET ASSETS PER SHARE (RM)	0.21	0.14

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2015

	<--- -----Non-Distributable----- --->			Distributable	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Reorganisation Reserve RM'000	Retained Profits RM'000	
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	-	-	-	1,609	1,609
Transactions with owners					
Public Issue, net of issuance expenses	5,147	14,005	-	-	19,152
Balance as at 30 June 2015	20,000	14,005	(853)	8,932	42,084

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2015

	Current year to date 30 June 2015 RM'000	Preceding year to date 30 June 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,178	n/a
Adjustments for:		
Depreciation of property, plant and equipment	304	n/a
Interest income	(103)	n/a
Interest expense	9	n/a
Operating profit before working capital changes	1,388	n/a
Changes in working capital:		
Trade receivables	(910)	n/a
Other receivables	(356)	n/a
Trade payables	-	n/a
Other payables	663	n/a
	(603)	n/a
Cash generated from operations	785	n/a
Interest paid	(9)	n/a
Interest received	103	n/a
Tax paid	(16)	n/a
Tax refunded	448	n/a
NET CASH FROM OPERATING ACTIVITIES	1,311	n/a
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,451)	n/a
Repayment from substantial corporate shareholder	7,940	n/a
NET CASH USED IN INVESTING ACTIVITIES	6,489	n/a
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	850	n/a
Proceeds from Public Issue, net of issuance expenses	3,651	n/a
Repayment of term loan	(17)	n/a
NET CASH FROM FINANCING ACTIVITIES	4,484	n/a
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,284	n/a
EFFECT OF EXCHANGE RATE CHANGES	-	n/a

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	Current year to date 30 June 2015 RM'000	Preceding year to date 30 June 2014 RM'000
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>5,505</u>	<u>n/a</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>17,789</u>	<u>n/a</u>
Cash and bank balances	5,451	n/a
Fixed deposits with licensed banks	<u>12,338</u>	<u>n/a</u>
	<u>17,789</u>	<u>n/a</u>

Comparative figures for the preceding year's corresponding financial period are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

n/a Not applicable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2015

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 Consolidation Exception</i>	<i>1 January 2016</i>
<i>MFRS 15 Revenue from Contracts with Customers</i>	<i>1 January 2017</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		6 months ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Malaysia	1,592	n/a	3,463	n/a
Bangladesh	613	n/a	1,302	n/a
Indonesia	2	n/a	22	n/a
Total	2,207	n/a	4,787	n/a

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 72.3% and 27.2% respectively of the Group's total revenue. Revenue from Indonesia represents pre-sales income from proof-of-concept.

Comparative figures for the preceding year's corresponding financial periods are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

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

	30 June 2015 RM'000	30 June 2014 RM'000
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Authorised and contracted for:

Purchase of property, plant and equipment _____ - _____ n/a

Comparative figures for the preceding year's corresponding financial period are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

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

The Group recorded revenue of RM2.207 million and profit before tax of RM0.122 million for the second quarter ended 30 June 2015. The revenue was mainly derived from the provision of ATS services, which has contributed approximately 99% to the Group's revenue.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance RM '000
	30 June 2015 RM'000	31 March 2015 RM'000	
Revenue	2,207	2,579	(372)
Profit before taxation	122	1,056	(934)

Group's revenue decreased by 14.4% from approximately RM2.579 million recorded in the immediate preceding quarter to approximately RM2.207 million in the current financial quarter. This was mainly due to lower ATS revenue as the Company has yet to fully recover from the technical system related issues faced by the Mobile Network Operator ("MNO") partner as reported in the first interim financial report for the first quarter ended 31 March 2015.

The profit before tax of the Group decreased by 88.4% from approximately RM1.056 million in the previous financial quarter to RM0.122 million in the current financial

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quarter. The decrease in profit before tax were mainly due to the drop in sales and the increase in operating and administration expenses in line with the Group's expansion plans, including listing related expenses, a one-time charge at the time of Initial Public Offering ("IPO").

B3. Prospects for 2015

The revenue of the Company for the 6-month period ended 30 June 2015, was affected by the technical system related issues faced by a MNO partner, from which the Company has yet to fully recover.

Notwithstanding the above, as disclosed in the Company's prospectus dated 9 June 2015, the Group has in place a series of future plans and strategies to further expand the business which are focused in the following areas:

- (i) Enhancement and marketing of ATS solutions via Enhanced Favourite Number, Enhanced Schedule Transfer, ATS Community Portal/ATS Loyalty Points and Application based ATS.
- (ii) Continuous development of new products and services such as GreenBilling© mobile application, voice sharing, data sharing and network sharing platform.
- (iii) Expansion of customer base.
- (iv) Expansion of Research & Development talent.

Based on the aforesaid future plans and strategies, the positive outlook of the industry and upon full recovery by the Company from the MNO partner's technical system related issues, the Board of Directors of the Company ("**Board**") is of the view that the prospects of the Group remain favourable for the financial year ending 31 December 2015.

B4. Profit forecast

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

B5. Taxation

	3 months ended		6 months ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	8	n/a	16	n/a
(Over)/Under provision in prior years	-	n/a	(448)	n/a
	<u>8</u>	<u>n/a</u>	<u>(432)</u>	<u>n/a</u>
Deferred tax:				
Relating to origination of temporary differences	-	n/a	-	n/a
Over provision in prior years	-	n/a	-	n/a
	<u>-</u>	<u>n/a</u>	<u>-</u>	<u>n/a</u>
Tax expense / (refund) for the financial period	<u>8</u>	<u>n/a</u>	<u>(432)</u>	<u>n/a</u>

IDOTTV Sdn Bhd (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.

Comparative figures for the preceding year's corresponding financial periods are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

B6. Status of corporate proposals and utilisation of proceeds

(i) Status of corporate proposal

The Company was admitted to the official list of Bursa Securities on 29 June 2015 upon the listing of and quotation for the entire enlarged issued and paid-up share capital of RM20,000,000 comprising 200,000,000 shares on ACE Market of Bursa Securities.

51,467,000 shares were issued at an issue price of RM0.38 per share. The net proceeds from the public issue amounting to RM3.622 million was received in current quarter ended 30 June 2015. The remaining net proceeds from the placements amounting to RM15.075 million was recorded as Other Receivables in the current quarter ended 30 June 2015 and was subsequently received in July 2015.

(ii) Utilisation of proceeds

Subsequent to the completion of the IPO, the status on the utilisation of the IPO proceeds received or to be receivable as at 30 June 2015 is as follows:

Purpose	Estimated Timeframe for Utilisation upon Listing	Amount Allocated RM'000	Amount Utilised as at 30 June 2015 RM'000	Balance of IPO Proceed as at 30 June 2015 RM'000
Capital Expenditure	24 months	4,000	-	4,000
Marketing Expenses	24 months	4,100	-	4,100
R&D Expenses	12 months	2,500	-	2,500
Working capital	24 months	6,757	-	6,757
Listing expenses*	3 months	2,200	861	1,339
		<u>19,557</u>	<u>861</u>	<u>18,696</u>

*The listing expenses of RM906,221 was paid from the Company's internally generated funds as at 31 December 2014. Any amount of IPO proceeds not utilised will 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.

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B7. Borrowings

The Group's borrowings as at 30 June 2015 are as follows:

	RM'000
Secured	
Term loan*	833
	<hr/>
	833
	<hr/>
Unsecured	-
	<hr/>
Total bank borrowings	833
	<hr/>

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

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 dividends 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		6 months ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Profit attributable to owners of the parent (RM'000)	114	n/a	1,609	n/a
Weighted average number of ordinary shares in issue (‘000)	149,664	n/a	149,102	n/a
Basic earnings per share (RM)	0.001	n/a	0.011	n/a

Comparative figures for the preceding year’s corresponding financial periods are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

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 30 June 2015 RM'000	6 months ended 30 June 2015 RM'000
Interest income	(65)	(103)
Interest expense	9	9
Depreciation and amortisation expenses	185	304
Foreign exchange gain	(55)	(92)

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2015 into realised and unrealised profits is as follows:

	As at 30 June 2015 RM'000	As at 30 June 2014 RM'000
Total retained profits of the Group:		
- Realised	8,932	n/a
- Unrealised	-	n/a
Total	<u>8,932</u>	<u>n/a</u>
Less: Consolidation adjustments	-	n/a
Total retained profits of the Group	<u>8,932</u>	<u>n/a</u>

Comparative figures for the preceding year's corresponding financial period are not presented as this is the second interim financial report on the consolidated results for the second quarter ended 30 June 2015 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

By Order of the Board

WONG WEI FONG (MAICSA 7006751)

ANG HONG PENG (MAICSA 7052695)

Company Secretaries

Kuala Lumpur

20 August 2015