



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

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2016**

Contents	Page
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2
Unaudited Condensed Consolidated Statement of Changes in Equity	4
Unaudited Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Financial Report	7

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2016

	<----Individual Quarter ---->		<----Cumulative Quarter ---->	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Revenue	2,013	2,207	3,794	4,787
Other income	293	120	661	195
Administration expenses	<u>(3,131)</u>	<u>(2,196)</u>	<u>(6,041)</u>	<u>(3,796)</u>
(Loss) / Profit from operations	(825)	131	(1,586)	1,186
Finance costs	<u>(9)</u>	<u>(9)</u>	<u>(18)</u>	<u>(9)</u>
(Loss) / Profit before taxation	(834)	122	(1,604)	1,177
Taxation	<u>(8)</u>	<u>(8)</u>	<u>(16)</u>	<u>432</u>
Net (loss) / profit for the period, representing total comprehensive (loss) / income	<u>(842)</u>	<u>114</u>	<u>(1,620)</u>	<u>1,609</u>
NET (LOSS) / PROFIT ATTRIBUTABLE TO:				
- Owners of the parent	(842)	114	(1,620)	1,609
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(842)</u>	<u>114</u>	<u>(1,620)</u>	<u>1,609</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	(842)	114	(1,620)	1,609
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(842)</u>	<u>114</u>	<u>(1,620)</u>	<u>1,609</u>
Weighted average number of ordinary shares ('000)	200,000	149,664	200,000	149,102
(Loss) / Earnings per share attributable to owners of the parent (RM):				
- Basic	(0.004)	0.001	(0.008)	0.011
- Diluted	(0.004)	0.001	(0.008)	0.011

(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 2015 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Unaudited As at 30 June 2016 RM'000	Audited As at 31 December 2015 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	4,569	4,369
	<u>4,569</u>	<u>4,369</u>
CURRENT ASSETS		
Trade receivables	3,400	4,732
Other receivables	605	467
Short term funds	30,937	33,774
Cash and bank balances	400	388
	<u>35,342</u>	<u>39,361</u>
TOTAL ASSETS	<u>39,911</u>	<u>43,730</u>
EQUITY		
Share capital	20,000	20,000
Reserves	18,703	20,323
Equity attributable to owners of the parent	<u>38,703</u>	<u>40,323</u>
TOTAL EQUITY	<u>38,703</u>	<u>40,323</u>
NON-CURRENT LIABILITIES		
Bank borrowings	699	736
Deferred tax liabilities	88	88
	<u>787</u>	<u>824</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016
(CONT'D)**

	Unaudited As at 30 June 2016 RM'000	Audited As at 31 December 2015 RM'000
CURRENT LIABILITIES		
Trade payables	-	-
Other payables	301	465
Dividend payable	-	2,000
Bank borrowings	73	71
Current tax liabilities	47	47
	421	2,583
TOTAL LIABILITIES	1,208	3,407
TOTAL EQUITY AND LIABILITIES	39,911	43,730
NET ASSETS PER SHARE (RM)	0.19	0.20

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.)

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2016

	←----- 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 2016					
Balance as at 1 January 2016	20,000	14,005	(853)	7,171	40,323
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(1,620)	(1,620)
Balance as at 30 June 2016	20,000	14,005	(853)	5,551	38,703
Preceding year corresponding period ended 30 June 2015					
Balance as at 1 January 2015	14,853	-	(853)	7,323	21,323
Net profit for the financial period, representing total comprehensive income for the financial period	-	-	-	1,609	1,609
Transaction 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

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 2016

	Current year to date 30 June 2016 RM'000	Preceding year to date 30 June 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(1,604)	1,178
Adjustments for:		
Depreciation of property, plant and equipment	497	304
Income distribution received from short term funds	(572)	(103)
Interest expense	18	9
Operating (loss) / profit before working capital changes	(1,661)	1,388
Changes in working capital:		
Trade receivables	1,332	(910)
Other receivables	(138)	(356)
Trade payables	-	-
Other payables	(164)	663
	1,030	(603)
Cash (used in) / generated from operations	(631)	785
Interest paid	(18)	(9)
Income distribution received from short term funds	572	103
Tax paid	(16)	(16)
Tax refunded	-	448
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(93)	1,311
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(697)	(1,451)
Repayment from substantial corporate shareholder	-	7,940
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(697)	6,489
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	850
Proceeds from Public Issue, net of issuance expenses	-	3,651
Repayment of term loan	(35)	(17)

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

	Current year to date 30 June 2016 RM'000	Preceding year to date 30 June 2015 RM'000
Dividend paid	(2,000)	-
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(2,035)	4,484
NET (DECREASED) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,825)	12,284
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	34,162	5,505
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	31,337	17,789
Cash and bank balances	400	5,451
Short term funds	30,937	12,338
	31,337	17,789

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SECOND (2nd)
QUARTER ENDED 30 JUNE 2016**

**A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 30 JUNE 2016.**

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 2015.

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

Title	Effective Date
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012 - 2014 Cycle</i>	1 January 2016

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 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

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 2015.

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 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Malaysia	1,446	1,592	2,699	3,463
Bangladesh	565	613	1,092	1,302
Indonesia	2	2	3	22
Total	2,013	2,207	3,794	4,787

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 71.83% and 28.07% respectively of the Group's total revenue.

A8. Valuation of property, plant and equipment

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

A9. Capital commitment

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

A10. Changes in the composition of the Group

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

2Q/2016 compared to 2Q/2015

The Group recorded a revenue of approximately RM2.01 million for the current quarter under review, a decrease of approximately RM0.19 million or 8.8% as compared the preceding year's corresponding quarter ended 30 June 2015. 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 corresponding quarter ended 30 June 2015.

The Group recorded a loss before tax in the current quarter of approximately RM0.83 million as compared to profit before tax of approximately RM0.12 million in the preceding year corresponding quarter ended 30 June 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 post-Initial Public Offering ("IPO"), including marketing and research & development ("R&D") amounting to RM0.86 million.

A decrease in revenue and an increase in operating expenses inclusive of marketing and R&D has resulted in net loss after tax of approximately RM0.84 million as compared to net income from profit after tax of approximately RM0.11 million in the preceding year corresponding quarter ended 30 June 2015.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance
	30 June 2016 RM'000	31 Mar 2016 RM'000	RM '000
Revenue	2,013	1,781	232
Loss before taxation	(834)	(769)	(65)

In the current quarter ended 30 June 2016, the Group generated revenue of RM2.01 million, as compared to the immediate preceding quarter of RM1.78 million. The 13.03% increase in revenue is contributed by marginal growth in average number of transactions per day recorded for the Group's ATS services in the current quarter as compared to the previous quarter.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

The Group recorded a loss before taxation of RM0.84 million for the current quarter under review as compared to loss before taxation of RM0.77 million in the immediate preceding quarter.

B3. Prospects for 2016

In the previous quarter, the Group has expanded its customer base by signing up with a new Mobile Network Operator (“MNO”) for the provision of ATS Services. Revenue from this new MNO is expected to be realised in the third quarter of 2016.

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.

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 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		6 months ended	
	30 June 2016 RM’000	30 June 2015 RM’000	30 June 2016 RM’000	30 June 2015 RM’000
Tax expense recognized in profit or loss:				
Current tax provision	8	8	16	16
Over provision in prior years	-	-	-	(448)
	<u>8</u>	<u>8</u>	<u>16</u>	<u>(432)</u>
Deferred tax:				
Relating to origination of temporary differences	-	-	-	-
Over provision in prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expense / (refund) for the financial period	<u>8</u>	<u>8</u>	<u>16</u>	<u>(432)</u>

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

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, has been exempted from tax in each financial year starting 10 May 2011 and ending on 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	Intended timeframe for utilisation upon listing	Announced Extended timeframe on 29 July 2016	Amount allocated	Amount utilised as at 30 June 2016	Balance of IPO Proceeds as at 30 June 2016
			RM'000	RM'000	RM'000
Capital Expenditure	Within 24 months**		4,000	1,466	2,534
Marketing Expenses	Within 24 months**		4,100	1,042	3,058
R&D Expenses	Within 12 months	Within 18 months [#]	2,500	1,919	581
Working capital*	Within 24 months**		6,757	4,824	1,933
Listing expenses*	Fully utilised		2,200	1,083	1,117
			19,557	10,334	9,223

*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 24 month timeframe for utilisation of the proceeds will expire on 28 June 2017.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

#The Company has utilised 77% of the R&D allocation mainly for the technical staff cost and ICT infrastructure for enhancement of existing ATS system. The excess balance of 23% is due to delay in development of ATS enhancement for a Mobile Network Operator (“MNO”) and development of data sharing services for a Mobile Virtual Network Operator (“MVNO”) which were expected to be utilised in the second half of 2016. On 29 July 2016, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO proceeds allocated for R&D expenses amounting to RM0.58 million for further six (6) months until 28 December 2016.

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 30 June 2016 are as follows:

	RM’000
Secured	
Term loan*	
- not later than one (1) year	73
- later than one (1) year but not later than five (5) years	699
Total bank borrowings	<u>772</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

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		6 months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
(Loss)/Profit attributable to owners of the parent (RM'000)	(842)	114	(1,620)	1,609
Weighted average number of ordinary shares in issue ('000)	200,000	149,664	200,000	149,102
Basic (loss) / earnings per share (RM)	(0.004)	0.001	(0.008)	0.011

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

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

	3 months ended	3 months ended	6 months ended	6 months ended
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Depreciation and amortisation expenses	266	185	497	304
Gain on foreign exchange				
- realised	(29)	(55)	(89)	(92)
- unrealised	-	-	-	-
Income distribution received from short term funds	(264)	(65)	(572)	(103)
Interest expense	9	9	18	9

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2016 into realised and unrealised profits is as follows:

	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Total retained profits of the Group:		
- Realised	5,551	8,932
- Unrealised	-	-
Total	5,551	8,932
Less: Consolidation adjustments	-	-
Total retained profits of the Group	5,551	8,932

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 August 2016