



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

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2016**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2016

	<----Individual Quarter ---->		<----Cumulative Quarter --->	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Revenue	1,781	2,579	1,781	2,579
Other income	368	76	368	76
Administration expenses	<u>(2,909)</u>	<u>(1,599)</u>	<u>(2,909)</u>	<u>(1,599)</u>
(Loss) / Profit from operations	(760)	1,056	(760)	1,056
Finance costs	<u>(9)</u>	<u>-</u>	<u>(9)</u>	<u>-</u>
(Loss) / Profit before taxation	(769)	1,056	(769)	1,056
Taxation	<u>(8)</u>	<u>440</u>	<u>(8)</u>	<u>440</u>
Net (loss) / profit for the period, representing total comprehensive income	<u>(777)</u>	<u>1,496</u>	<u>(777)</u>	<u>1,496</u>
NET (LOSS) / PROFIT ATTRIBUTABLE TO:				
- Owners of the parent	(777)	1,496	(777)	1,496
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(777)</u>	<u>1,496</u>	<u>(777)</u>	<u>1,496</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	(777)	1,496	(777)	1,496
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(777)</u>	<u>1,496</u>	<u>(777)</u>	<u>1,496</u>
Weighted average number of ordinary shares ('000)	200,000	148,533	200,000	148,533
(Loss) / Earnings per share attributable to owners of the parent (RM):				
- Basic	(0.004)	0.01	(0.004)	0.01
- Diluted	(0.004)	0.01	(0.004)	0.01

(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 the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	4,397	4,369
	<u>4,397</u>	<u>4,369</u>
CURRENT ASSETS		
Trade receivables	3,567	4,732
Other receivables	623	466
Short term funds	30,215	33,774
Cash and bank balances	1,893	389
	<u>36,298</u>	<u>39,361</u>
TOTAL ASSETS	<u>40,695</u>	<u>43,730</u>
EQUITY		
Share capital	20,000	20,000
Reserves	19,546	20,323
Equity attributable to owners of the parent	<u>39,546</u>	<u>40,323</u>
TOTAL EQUITY	<u>39,546</u>	<u>40,323</u>
NON-CURRENT LIABILITIES		
Bank borrowings	723	736
Deferred tax liabilities	88	88
	<u>811</u>	<u>824</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 (CONT'D)

	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
CURRENT LIABILITIES		
Trade payables	-	-
Other payables	222	465
Dividend payable	2	2,000
Bank borrowings	66	71
Current tax liabilities	48	47
	338	2,583
TOTAL LIABILITIES	1,149	3,407
TOTAL EQUITY AND LIABILITIES	40,695	43,730
NET ASSETS PER SHARE (RM)	0.20	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 the interim financial statements.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 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 31 March 2016					
Balance as at 1 January 2016	20,000	14,005	(853)	7,171	40,323
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	(777)	(777)
Balance as at 31 March 2016	20,000	14,005	(853)	6,394	39,546
Preceding year corresponding period ended 31 March 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	-	-	-	1,496	1,496
Balance as at 31 March 2015	14,853	-	(853)	8,819	22,819

(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 the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2016

	Current year to date 31 Mar 2016 RM'000	Preceding year to date 31 Mar 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(769)	1,056
Adjustments for:		
Depreciation of property, plant and equipment	230	119
Income distribution received from short term funds	(308)	(39)
Interest expense	9	-
Operating (loss)/profit before working capital changes	(838)	1,136
Changes in working capital:		
Trade receivables	1,165	(413)
Other receivables	(157)	(261)
Trade payables	-	-
Other payables	(242)	(88)
	766	(762)
Cash (used in)/generated from operations	(72)	374
Interest paid	(9)	-
Income distribution received from short term funds	308	39
Tax paid	(8)	(8)
Tax refunded	-	448
NET CASH FROM OPERATING ACTIVITIES	219	853
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(258)	(676)
NET CASH USED IN INVESTING ACTIVITIES	(258)	(676)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	-	850
Repayment of term loan	(18)	-
Dividend paid	(1,998)	-
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(2,016)	850
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,055)	1,027
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	34,163	5,505

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	Current year to date 31 Mar 2016 RM'000	Preceding year to date 31 Mar 2015 RM'000
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>32,108</u>	<u>6,532</u>
Cash and bank balances	1,893	1,277
Short term funds	<u>30,215</u>	<u>5,255</u>
	<u>32,108</u>	<u>6,532</u>

(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 the interim financial statements.)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1ST)
QUARTER ENDED 31 MARCH 2016**

**A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 31 MARCH 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 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred
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 116 and MFRS 141 <i>Agriculture: Bearer Plants</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
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

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		3 months ended	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Malaysia	1,253	1,871	1,253	1,871
Bangladesh	527	688	527	688
Indonesia	1	20	1	20
Total	1,781	2,579	1,781	2,579

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 70.35% and 29.59% 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 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

1Q/2016 compared to 1Q/2015

The Group reported a revenue of approximately RM1.78 million for the current quarter under review, a decrease of approximately RM0.8 million or 30.94% as compared to the preceding year's corresponding quarter ended 31 March 2015. The decrease in revenue was mainly attributable to lower average number of transactions per day recorded for the Group's ATS services in the current quarter.

The Group recorded a loss before taxation in the current quarter of approximately RM0.77 million as compared to a profit before tax of approximately RM1.06 million in the corresponding quarter ended 31 March 2015. The significant loss before taxation was mainly due to the lower revenue generated from ATS services 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 RM0.94 million.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance
	31 Mar 2016 RM'000	31 Dec 2015 RM'000	RM '000
Revenue	1,781	1,720	61
Loss before taxation	(769)	(57)	(712)

In the current quarter ended 31 March 2016, the Group generated a revenue of RM1.78 million, a 3.55% increase as compared to RM1.72 million in the preceding quarter ended 31 December 2015.

However, the Group posted a loss before taxation of RM0.77 million in the current quarter as compared to the previous quarter ended 31 December 2015 mainly due to lower other income (Government grant of RM0.20 million and certain unrealised gain on foreign exchange amounting to RM0.17 million in the quarter ended 31 December 2015) and higher operating expenses inclusive of marketing and R&D.

B3. Prospects for 2016

In view of the uncertainties and challenges ahead, the Group is expected to continue and focus on the development and future growth of its existing businesses.

During the 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.

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.

Moving forward, the Board remains cautiously optimistic that the Group will be able to achieve satisfactory performance for the financial year 2016.

B4. Profit forecast

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

B5. Taxation

	3 months ended		3 months ended	
	31 Mar 2016 RM'000	31 Mar 2015 RM'000	31 Mar 2016 RM'000	31 Mar 2015 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	8	8	8	8
Over provision in prior years	-	(448)	-	(448)
	8	(440)	-	(440)
Deferred tax:				
Relating to origination of temporary differences	-	-	-	-
Over provision in prior years	-	-	-	-
	-	-	-	-
Tax expense / (refund) for the financial period	8	(440)	8	(440)

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 Mar 2016 RM'000	Balance of IPO Proceeds as at 31 Mar 2016 RM'000
Capital Expenditure	24 months	4,000	1,042	2,958
Marketing Expenses	24 months	4,100	777	3,323
R&D Expenses	12 months	2,500	1,326	1,174
Working capital*	24 months	6,757	3,374	3,383
Listing expenses*	3 months	2,200	1,083	1,117
		<u>19,557</u>	<u>7,602</u>	<u>11,955</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 March 2016 are as follows:

	RM'000
Secured	
Term loan*	
- not later than one (1) year	66
- later than one (1) year but not later than five (5) years	<u>723</u>
Total bank borrowings	<u>789</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

On 16 December 2015, the Board of Directors had 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 was paid on 29 February 2016.

No dividend has been declared or proposed during the quarter ended 31 March 2016.

B10. Earnings per share

The basic earnings per share are calculated as follows:

	3 months ended		3 months ended	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
(Loss)/Profit attributable to owners of the parent (RM'000)	(777)	1,496	(777)	1,496
Weighted average number of ordinary shares in issue ('000)	200,000	148,533	200,000	148,533
Basic (loss) / earnings per share (RM)	(0.004)	0.01	(0.004)	0.01

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

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

	3 months ended 31 Mar 2016 RM'000	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2016 RM'000	3 months ended 31 Mar 2015 RM'000
Deposits written off	-	-	-	-
Depreciation and amortisation expenses	230	119	230	119
Gain on disposal of a subsidiary	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-
Gain on foreign exchange				
- realised	(60)	(37)	(60)	(37)
- unrealised	-	-	-	-
Government Incentives	-	-	-	-
Impairment loss on other receivables	-	-	-	-
Income distribution received from short term funds	(308)	(39)	(308)	(39)
Interest expense	9	-	9	-

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 Mar 2016 RM'000	As at 31 Mar 2015 RM'000
Total retained profits of the Group:		
- Realised	6,482	8,872
- Unrealised	(88)	(53)
Total	6,394	8,819
Less: Consolidation adjustments	-	-
Total retained profits of the Group	6,394	8,819

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*

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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

23 May 2016