



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

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2017**

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	3
Unaudited Condensed Consolidated Statement of Cash Flows	4
Notes to the Condensed Consolidated Financial Report	6

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2017

	<----Individual Quarter ---->		<----Cumulative Quarter ---->	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Revenue	6,109	1,781	6,109	1,781
Other income	167	368	167	368
Administration expenses	<u>(6,108)</u>	<u>(2,909)</u>	<u>(6,108)</u>	<u>(2,909)</u>
Profit / (Loss) from operations	168	(760)	168	(760)
Finance costs	<u>(8)</u>	<u>(9)</u>	<u>(8)</u>	<u>(9)</u>
Profit / (Loss) before taxation	160	(769)	160	(769)
Taxation	<u>(8)</u>	<u>(8)</u>	<u>(8)</u>	<u>(8)</u>
Net profit / (loss) for the period, representing total comprehensive income / (loss)	<u>152</u>	<u>(777)</u>	<u>152</u>	<u>(777)</u>
NET PROFIT / (LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	152	(777)	152	(777)
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>152</u>	<u>(777)</u>	<u>152</u>	<u>(777)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	152	(777)	152	(777)
- Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>152</u>	<u>(777)</u>	<u>152</u>	<u>(777)</u>
Weighted average number of ordinary shares ('000)	200,000	200,000	200,000	200,000
Earnings / (Loss) per share attributable to owners of the parent (RM):				
- Basic	0.001	(0.004)	0.001	(0.004)
- Diluted	0.001	(0.004)	0.001	(0.004)

(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 2016 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Unaudited As at 31 Mar 2017 RM'000	Audited As at 31 December 2016 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	4,080	4,312
Lease receivables	4,152	3,076
	8,232	7,388
CURRENT ASSETS		
Receivables, deposit & prepayments	11,701	9,126
Lease receivables	821	760
Inventory	7	22
Short term funds	18,834	19,574
Cash and bank balances	908	2,064
	32,271	31,546
TOTAL ASSETS	40,503	38,934
EQUITY		
Share capital	20,000	20,000
Reserves	14,339	16,187
Equity attributable to owners of the parent	34,339	36,187
TOTAL EQUITY	34,339	36,187
NON-CURRENT LIABILITIES		
Bank borrowing	643	661
Deferred tax liabilities	85	85
	728	746
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	3,236	1,801
Dividend payable	2,000	-
Bank borrowing	74	74
Current tax liabilities	126	126
	5,436	2,001
TOTAL LIABILITIES	6,164	2,747
TOTAL EQUITY AND LIABILITIES	40,503	38,934
NET ASSETS PER SHARE (RM)	0.17	0.18

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 FIRST (1st) QUARTER ENDED 31 MARCH 2017

	←----- -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 2017					
Balance as at 1 January 2017	20,000	14,005	(853)	3,035	36,187
Net profit for the financial period, representing total comprehensive income for the financial period	-	-	-	152	152
Transaction with owners					
Interim dividend declared				(2,000)	(2,000)
Balance as at 31 March 2017	20,000	14,005	(853)	1,187	34,339
Preceding year corresponding period ended 31 March 2016					
Balance as at 1 January 2016	14,853	-	(853)	7,171	40,323
Net loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(777)	(777)
Balance as at 31 March 2016	20,000	14,005	(853)	6,394	39,546

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2017

	Current year to date 31 Mar 2017 RM'000	Preceding year to date 31 Mar 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	160	(769)
Adjustments for:		
Depreciation of property, plant and equipment	276	230
Income distribution received from short term funds	(161)	(308)
Interest expense	8	9
Unrealised loss on foreign exchange	9	-
Operating profit / (loss) before working capital changes	292	(838)
Changes in working capital:		
Trade and other receivables	(2,584)	1,165
Inventory	15	(157)
Lease receivables	(1,137)	-
Trade payables and other receivables	1,435	(242)
	(2,271)	766
Cash used in operations	(1,979)	(72)
Interest paid	(8)	(9)
Income distribution received from short term funds	161	308
Tax paid	(8)	(8)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(1,834)	219
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(44)	(258)
NET CASH USED IN INVESTING ACTIVITIES	(44)	(258)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(18)	(18)
Dividend paid	-	(1,998)
NET CASH USED IN FINANCING ACTIVITIES	(18)	(2,016)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(1,896)	(2,055)

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

	Current year to date 31 Mar 2017 RM'000	Preceding year to date 31 Mar 2016 RM'000
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>21,638</u>	<u>34,163</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>19,742</u>	<u>32,108</u>
Cash and bank balances	908	1,893
Short term funds	<u>18,834</u>	<u>30,215</u>
	<u>19,742</u>	<u>32,108</u>

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE FIRST (1st)
QUARTER ENDED 31 MARCH 2017**

**A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE
QUARTER ENDED 31 MARCH 2017.**

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 2016.

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
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 – 2016 Cycle</i>	1 January 2017
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

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 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 2014 – 2016 Cycle</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance</i>	1 January 2018

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

<i>Consideration</i>	
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
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group will adopt the above pronouncements when they become effective in the respective financial periods.

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 2016.

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 are as follows:

	3 months ended		3 months ended	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Malaysia	5,658	1,253	5,658	1,253
Bangladesh	451	527	451	527
Indonesia	-	1	-	1
Total	6,109	1,781	6,109	1,781

Year to date revenue from Malaysia and Bangladesh contributed to approximately 92.62% and 7.38% respectively of the Group's total revenue.

The segmental information of the Group are presented by operating segments as follows:

- (a) Airtime sharing ("ATS") services
Providing the technology on Airtime sharing for telecommunication providers.
- (b) Green technology ("Green Tech") 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

The Group's segment revenue analysis by product categories are as follows:

	3 months ended		3 months ended	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Revenue				
Airtime Sharing	1,562	1,747	1,562	1,747
Green Technology Solutions	1,557	-	1,557	-
Internet Of Things Solutions	2,990	-	2,990	-
Others	-	34	-	34
Total	6,109	1,781	6,109	1,781

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

Year to date revenue contributions from each revenue segments are as follows: Airtime Sharing (“ATS”) segment (25.57%), Green Technology Solutions (“Green Tech”) segment (25.49%) and Internet of Things (“IoT”) Solutions segment (48.94%).

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

The Group recorded a revenue of approximately RM6.11 million for the current quarter under review, an increase of approximately RM4.33 million as compared to a revenue of RM1.78 million in the preceding year’s corresponding quarter ended 31 March 2016. The Group registered a positive result from ongoing recognition of two

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

business segments, Green Tech and IoT segments on top of the existing ATS segment as compared to the preceding year's corresponding quarter.

However, the Group recorded higher operating expenses of RM6.11 million in the current quarter under review as compared to RM2.91 million in the preceding year's corresponding quarter ended 31 March 2016. The increase was due to direct costs associated with Green Tech and IoT segments from RM nil in the preceding year's corresponding quarter to RM 3.71 million in the current quarter under review.

The Group recorded a profit before tax in the current quarter of approximately RM0.16 million as compared to loss before tax of approximately RM0.77 million in the preceding year corresponding quarter ended 31 March 2016.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance
	31 Mar 2017 RM'000	31 Dec 2016 RM'000	RM '000
Revenue	6,109	8,349	(2,240)
Profit / (Loss) before taxation	160	304	(144)

In the current quarter ended 31 March 2017, the Group generated revenue of approximately RM6.11 million or 26.83% lower as compared to the revenue of approximately RM8.35 million in the immediate preceding quarter. Higher recognition of finance lease income was made in the immediate preceding quarter as compared to the current quarter under review.

As a result, the Group recorded a profit before taxation of approximately RM0.16 million for the current quarter under review as compared to profit before taxation of approximately RM0.30 million in the immediate preceding quarter.

B3. Prospects for 2017

In 2016, the Group has expanded its customer base by signing up with a new Mobile Network Operator ("MNO") for the provision of ATS Services. The Group has also ventured into provision of green technology and internet of things (IoT) solutions.

The management believes that the global economic backdrop continues to improve modestly, but steadily. Bank Negara Malaysia projected Malaysian economy to register a sustained growth of between 4.3 per cent and 4.8 per cent in 2017. Inflation is projected to average higher in the range of 3.0 per cent and 4.0 per cent in 2017. 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.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

The Group will continuously seek new opportunities to enhance its recurring revenue streams and look for new business growth 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		3 months ended	
	31 Mar 2017 RM'000	31 Mar 2016 RM'000	31 Mar 2017 RM'000	31 Mar 2016 RM'000
Tax expense recognized in profit or loss:				
Current tax provision	8	8	8	8
Tax expense for the financial period	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>

B6. Status of corporate proposals and utilisation of proceeds

(i) **Status of corporate proposal**

There was no corporate proposal announced but not completed as at the date of this report, except for the following:-

- (a) On 27 February 2017, the Company entered into a share sale agreement with Sedania Corporation Sdn. Bhd. to acquire the entire issue and paid up ordinary share capital of Sedania As Salam Capital Sdn. Bhd. ("SASC"), a company incorporated in Malaysia, for a purchase consideration of RM12.00 million to be satisfied by a combination of cash amounting to RM4.00 million and issuance and allotment of 25,806,452 new ordinary shares in the Company at an issue price of RM0.31 per unit ("Proposed Acquisition").

Bursa Securities had, vide its letter dated 25 May 2017, approved the listing of and quotation for 25,806,452 new shares in SIB ("Consideration Shares") to be issued pursuant to the Proposed Acquisition.

The Proposed Acquisition is currently pending approval of the non-interested shareholders of SIB at an extraordinary general meeting ("EGM") to be convened.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

The transaction is expected to be completed by the end of second quarter 2017.

(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	Expiry Date	Amount allocated	Amount utilised as at 31 Mar 2017	Balance of IPO Proceeds as at 31 Mar 2017
			RM'000	RM'000	RM'000
Capital Expenditure	Within 24 months	28 June 2017	4,000	4,000	-
Marketing Expenses	Within 24 months	28 June 2017	4,100	1,766	2,334
R&D Expenses	Within 18 months [#]	28 December 2016	2,500	2,500	-
Working capital*	Within 24 months	28 June 2017	6,757	7,874	(1,117)
Listing expenses*	Fully utilised	-	2,200	1,083	1,117
			19,557	17,223	2,334

*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 has been reallocated for use as working capital for the Group.

[#]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 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 31 March 2017 are as follows:

	RM'000
Secured	
Term loan*	
- not later than one (1) year	74
- later than one (1) year but not later than five (5) years	643
Total bank borrowings	<u>717</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 21 February 2017, the Board of Directors has approved and declared a first interim single tier dividend of one (1) sen per ordinary share, amounting to approximately RM2.0 million in respect of the financial period ending 31 December 2017. The first interim dividend was paid on 11 May 2017.

B10. Earnings per share

The basic earnings per share are calculated as follows:

	3 months ended		3 months ended	
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Profit/ (Loss) attributable to owners of the parent (RM'000)	152	(777)	152	(777)
Weighted average number of ordinary shares in issue ('000)	200,000	200,000	200,000	200,000
Basic earnings / (loss) per share (RM)	0.001	(0.004)	0.001	(0.004)

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 2017 RM'000	3 months ended 31 Mar 2016 RM'000	3 months ended 31 Mar 2017 RM'000	3 months ended 31 Mar 2016 RM'000
Depreciation and amortisation expenses	276	230	276	230
Gain on foreign exchange				
- realised	(11)	(60)	(11)	(60)
- unrealised	9	-	9	-
Income distribution received from short term funds	(161)	(308)	(161)	(308)
Interest expense	8	9	8	9

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 31 March 2017 into realised and unrealised profits is as follows:

	As at 31 Mar 2017 RM'000	As at 31 Mar 2016 RM'000
Total retained profits of the Group:		
- Realised	1,196	6,482
- Unrealised	(9)	(88)
Total	1,187	6,394
Less: Consolidation adjustments	-	-
Total retained profits of the Group	1,187	6,394

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.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

By Order of the Board

SHAHNIZA ANOM ELIAS (LS0006472)

TIA HWEI PING (MAICSA 7057636)

Company Secretaries

Kuala Lumpur

29 May 2017