



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

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 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 SECOND (2nd) QUARTER ENDED 30 JUNE 2017

	<----Individual Quarter ---->		<----Cumulative Quarter ---->	
	30 June 2017 RM'000	30 June 2016 RM'000	30 June 2017 RM'000	30 June 2016 RM'000
Revenue	6,351	2,013	12,460	3,794
Other income	445	293	612	661
Administration expenses	<u>(6,519)</u>	<u>(3,131)</u>	<u>(12,627)</u>	<u>(6,041)</u>
Profit / (Loss) from operations	277	(825)	445	(1,586)
Finance costs	<u>(8)</u>	<u>(9)</u>	<u>(16)</u>	<u>(18)</u>
Profit / (Loss) before taxation	269	(834)	429	(1,604)
Taxation	<u>(8)</u>	<u>(8)</u>	<u>(16)</u>	<u>(16)</u>
Net profit / (loss) for the period, representing total comprehensive income / (loss)	<u>261</u>	<u>(842)</u>	<u>413</u>	<u>(1,620)</u>
NET PROFIT / (LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	261	(842)	413	(1,620)
- Non-controlling interests	-	-	-	-
	<u>261</u>	<u>(842)</u>	<u>413</u>	<u>(1,620)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:				
- Owners of the parent	261	(842)	413	(1,620)
- Non-controlling interests	-	-	-	-
	<u>261</u>	<u>(842)</u>	<u>413</u>	<u>(1,620)</u>
Weighted average number of ordinary shares ('000)	200,000	200,000	200,000	200,00
Earnings / (Loss) per share attributable to owners of the parent (RM):				
- Basic	0.001	(0.004)	0.002	(0.008)
- Diluted	0.001	(0.004)	0.002	(0.008)

(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 30 JUNE 2017

	Unaudited As at 30 June 2017 RM'000	Audited As at 31 December 2016 RM'000
ASSETS		
NON-CURRENT ASSET		
Property, plant and equipment	3,808	4,312
Lease receivables	3,927	3,076
	<u>7,735</u>	<u>7,388</u>
CURRENT ASSETS		
Receivables, deposit & prepayments	16,024	9,126
Lease receivables	852	760
Inventory	15	22
Short term funds	13,510	19,574
Cash and bank balances	1,614	2,064
	<u>32,015</u>	<u>31,546</u>
TOTAL ASSETS	<u>39,750</u>	<u>38,934</u>
EQUITY		
Share capital	20,000	20,000
Reserves	14,600	16,187
Equity attributable to owners of the parent	<u>34,600</u>	<u>36,187</u>
TOTAL EQUITY	<u>34,600</u>	<u>36,187</u>
NON-CURRENT LIABILITIES		
Bank borrowing	624	661
Deferred tax liabilities	85	85
	<u>709</u>	<u>746</u>
CURRENT LIABILITIES		
Payables, accruals & other current liabilities	4,241	1,801
Bank borrowing	74	74
Current tax liabilities	126	126
	<u>4,441</u>	<u>2,001</u>
TOTAL LIABILITIES	<u>5,150</u>	<u>2,747</u>
TOTAL EQUITY AND LIABILITIES	<u>39,750</u>	<u>38,934</u>
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 SECOND (2nd) QUARTER ENDED 30 JUNE 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 30 June 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	-	-	-	413	413
Transaction with owners					
Interim dividend paid				(2,000)	(2,000)
Balance as at 30 June 2017	20,000	14,005	(853)	1,448	34,600
Preceding year corresponding period 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

(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 SECOND (2nd) QUARTER ENDED 30 JUNE 2017

	Current year to date 30 June 2017 RM'000	Preceding year to date 30 June 2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	429	(1,604)
Adjustments for:		
Depreciation of property, plant and equipment	550	497
Income distribution received from short term funds	(307)	(572)
Interest expense	16	18
Unrealised loss on foreign exchange	9	-
Operating profit / (loss) before working capital changes	697	(1,661)
Changes in working capital:		
Trade and other receivables	(6,907)	1,194
Inventory	6	-
Lease receivables	(943)	-
Trade and other payables	2,440	(164)
	(5,404)	1,030
Cash (used in) / generated from operations	(4,707)	(631)
Interest paid	(16)	(18)
Income distribution received from short term funds	307	572
Tax paid	(16)	(16)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(4,432)	(93)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(45)	(697)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(45)	(697)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(37)	(35)
Dividend paid	(2,000)	(2,000)
NET CASH USED IN FINANCING ACTIVITIES	(2,037)	(2,035)
NET DECREASED IN CASH AND CASH EQUIVALENTS	(6,514)	(2,825)

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

	Current year to date 30 June 2017 RM'000	Preceding year to date 30 June 2016 RM'000
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>21,638</u>	<u>34,162</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>15,124</u>	<u>31,337</u>
Cash and bank balances	1,614	400
Short term funds	<u>13,510</u>	<u>30,937</u>
	<u>15,124</u>	<u>31,337</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.)

The remainder of this page is intentionally left blank

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL REPORT FOR THE SECOND (2nd)
QUARTER ENDED 30 JUNE 2017**

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

The remainder of this page is intentionally left blank

A7. Segmental information

The Group's revenue based on geographical location of its customers are as follows:

	3 months ended		6 months ended	
	30 June 2017 RM'000	30 June 2016 RM'000	30 June 2017 RM'000	30 June 2016 RM'000
Malaysia	5,961	1,446	11,619	2,699
Bangladesh	390	565	841	1,092
Indonesia	-	2	-	3
Total	6,351	2,013	12,460	3,794

Year to date revenue from Malaysia and Bangladesh contributed to approximately 93.25% and 6.75% 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		6 months ended	
	30 June 2017 RM'000	30 June 2016 RM'000	30 June 2017 RM'000	30 June 2016 RM'000
Revenue				
Airtime Sharing	1,476	2,013	3,038	3,760
Green Technology Solutions	965	-	2,522	-
Internet Of Things Solutions	3,910	-	6,900	-
Others	-	-	-	34
Total	6,351	2,013	12,460	3,794

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

Year to date revenue contributions from each revenue segments are as follows: Airtime Sharing (“ATS”) segment (24.38%), Green Technology Solutions (“Green Tech”) segment (20.24%) and Internet of Things (“IoT”) Solutions segment (55.38%).

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 RM6.35 million for the current quarter under review, an increase of approximately RM4.34 million as compared to a revenue of RM2.01 million in the preceding year’s corresponding quarter ended 30 June 2016. The better performance was mainly due to the continuing contribution by the Green Tech and IoT segments on top of the existing ATS segment as compared to the preceding year’s corresponding quarter.

In line with the growth in revenue, the Group recorded a profit before tax of approximately RM0.27 million as compared to loss before tax of approximately RM0.83 million in the preceding year’s corresponding quarter ended 30 June 2016.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

Profit after tax for the current financial quarter improved to approximately RM0.26 million from loss after tax of RM0.84 million recorded for the same financial quarter last year.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance RM '000
	30 June 2017 RM'000	31 Mar 2017 RM'000	
Revenue	6,351	6,109	242
Profit / (Loss) before taxation	261	152	109

The Group's revenue for the current financial quarter of RM6.35 million was 3.96% higher compared to RM6.11 million achieved in the preceding financial quarter due to higher revenue from Green Tech and IoT segments. However, revenue from ATS segment decreased due to lower average number of transactions per day recorded for the ATS services in the current quarter as compared to the previous quarter.

Administration expenses, inclusive of direct costs in the current quarter increased 6.75% from RM6.11 million in the immediate preceding quarter to RM6.52 million.

The Group recorded a profit before tax of RM0.26 million for the current quarter under review as compared to profit before tax of RM0.15 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 (Green Tech) 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.

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. Likewise, the Group expects positive contribution from the completion of the acquisition of Sedania As Salam Capital Sdn Bhd in the next quarter.

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	30 June	30 June	30 June
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Tax expense recognized in profit or loss:				
Current tax provision	8	8	16	16
Tax expense for the financial period	8	8	16	16

B6. Status of corporate proposals and utilisation of proceeds

(i) **Status of corporate proposal**

There was no corporate proposal announced and not completed as at the date of this report. The Proposed Acquisition of Sedania As Salam Capital Sdn. Bhd. ("SASC") which the Group had announced in the previous quarter has been unanimously approved by its non-interested shareholders in an extraordinary general meeting ("EGM") held on 19 June 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 30 June 2017	Balance of IPO Proceeds as at 30 June 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 December 2017	4,100	1,812	2,288

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

Purpose	Intended timeframe for utilisation upon listing	Expiry Date	Amount allocated	Amount utilised as at 30 June 2017	Balance of IPO Proceeds as at 30 June 2017
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	16,106	2,288

*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.

^{##}On 16 June 2017, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO proceeds allocated for marketing expenses amounting to RM2.29 million until 28 December 2017.

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 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	624
Total bank borrowings	698

* 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 had 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		6 months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Profit/ (Loss) attributable to owners of the parent (RM'000)	261	(842)	413	(1,620)
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)	0.002	(0.008)

The remainder of this page is intentionally left blank

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 2017 RM'000	3 months ended 30 June 2016 RM'000	6 months ended 30 June 2017 RM'000	6 months ended 30 June 2016 RM'000
Depreciation and amortisation expenses	274	266	550	497
Gain on foreign exchange				
- realised	-	(29)	(11)	(89)
- unrealised	-	-	9	-
Government incentives	(300)	-	(300)	-
Income distribution received from short term funds	(146)	(264)	(307)	(572)
Interest expense	8	9	16	18

B12. Disclosure of realised and unrealised profits

The breakdown of the retained profits of the Group as at 30 June 2017 into realised and unrealised profits is as follows:

	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
Total retained profits of the Group:		
- Realised	1,439	5,551
- Unrealised	(9)	-
Total	1,448	5,551
Less: Consolidation adjustments	-	-
Total retained profits of the Group	1,448	5,551

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.

SEDANIA INNOVATOR BERHAD (Company No. 1074350-A)

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
22 August 2017