SEDANIA
INNOVATOR
(Company No. 1074350-A)

2015
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. Bhg. Tan Sri Abdul Halim Bin Ali
Senior Independent Non-Executive Chairman

Datuk Noor Azrin Bin Mohd Noor
Managing Director

Noor Syafiroz Bin Mohd Noor
Executive Director

Y. Bhg. Tan Sri Nuraizah Binti Abdul Hamid
Independent Non-Executive Director

Datuk Syed Izuan Bin Syed Kamarulbahrin
Independent Non-Executive Director

Koh Eu-Jin
Non-Independent Non-Executive Director

COMPANY SECRETARIES

Shahniza Anom Binti Elias *(LS 0006472)*
Tia Hwei Ping *(MAICSA 7057636)*

AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Syed Izuan Bin Syed Kamarulbahrin,
Chairman
Y. Bhg. Tan Sri Abdul Halim Bin Ali
Y. Bhg. Tan Sri Nuraizah Binti Abdul Hamid

NOMINATION COMMITTEE

Y. Bhg. Tan Sri Abdul Halim Bin Ali,
Chairman
Y. Bhg. Tan Sri Nuraizah Binti Abdul Hamid
Datuk Syed Izuan Bin Syed Kamarulbahrin

REMUNERATION COMMITTEE

Y. Bhg. Tan Sri Nuraizah Binti Abdul Hamid,
Chairman
Y. Bhg. Tan Sri Abdul Halim Bin Ali
Datuk Syed Izuan Bin Syed Kamarulbahrin

REGISTERED OFFICE

Level 8 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (603) 7841 8000
Fax No. : (603) 7841 8199

CORPORATE OFFICE

Level 10 Kelana Parkview Tower
Jalan SS6/2
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : (603) 7880 2001
Fax No. : (603) 7880 6001

AUDITORS

BDO @ Menara CenTARa
Level 8, 360 Jalan Tunku Abdul Rahman
50100 Kuala Lumpur
Tel No. : (603) 2616 2888
Fax No. : (603) 2616 3190

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3 Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : (603) 2783 9299
Fax No. : (603) 2783 9222

PRINCIPAL BANKER

RHB Islamic Bank Berhad

SPONSOR

Kenanga Investment Bank Berhad
8th Floor, Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : (603) 2027 5555
Fax No. : (603) 2164 6690

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Listing Date : 29 June 2015
Stock Code : 0178
Stock Name : SEDANIA

WEBSITE

www.sedaniainnovator.com
Email : info@sedaniainnovator.com

ABOUT US

THE SEDANIA Group consists of Sedania Innovator Berhad ("SEDANIA") and its subsidiary, IDOTTV Sdn. Bhd. ("IDOTTV").

SEDANIA was incorporated in Malaysia on 17 December 2013 under the Companies Act, 1965 as a private limited company under the name of Sedania Innovator Sdn. Bhd.

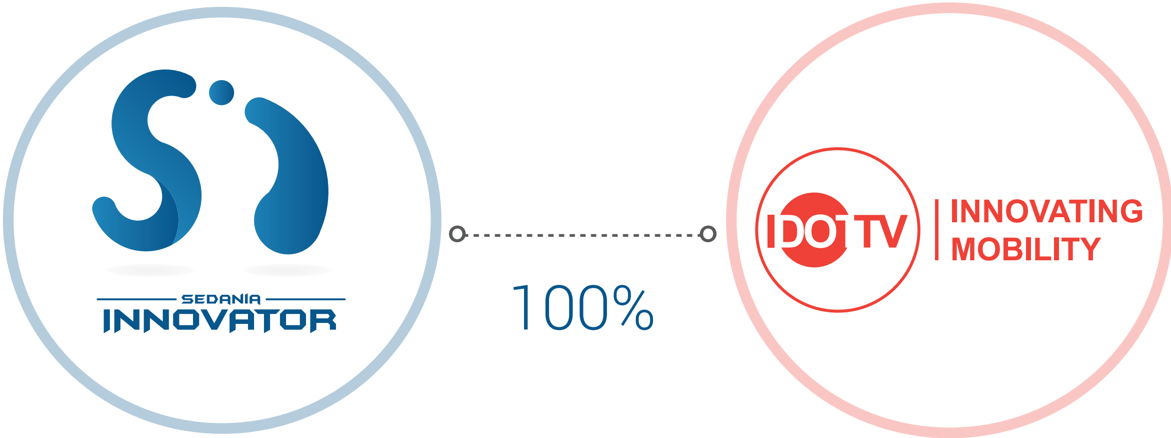
On 22 September 2014, our company converted to a public limited company to serve as the investment holding company for the Group. The Group is engaged in business pertaining to or connected with telecommunications and information technology which include multimedia products and all other related activities. The Group is led by industry professionals with diverse experiences in fields of engineering, mobile and communication technology.

On 24 July 2014, SEDANIA acquired 100% shareholding of IDOTTV. IDOTTV is a platform provider and service enabler specialising in providing ancillary services to the mobile subscribers in Malaysia and Bangladesh.

Over the years, IDOTTV has received awards and recognitions such as the Quality and Technology award in Gold Category from The International Arch of Europe Awards in 2011, the Corporate Social Responsibility Leadership Awards from the Asia Pacific Young Business Conference and the Sustainable Growth Award for the GreenBilling© Application from WITSA Global ICT Excellence Awards in 2012.

SEDANIA was listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 June 2015.

CORPORATE STRUCTURE



Sedania Innovator Berhad **IDOTTV Sdn. Bhd.**

The principal activities of its subsidary is as follow:

Name	Date & Place of Incorporation	Issue & Paid Up Share Capital	Principal Activities
IDOTTV SDN. BHD.	23 January 2004 Malaysia	RM 14,000,000	Telecomunications and Information Technology which include multimedia products and all other related activities

FINANCIAL HIGHLIGHTS

RESULTS	2011* RM'000	2012* RM'000	2013* RM'000	2014 RM'000	2015 RM'000
Revenue	8,734	8,959	10,118	11,483	8,704
EBITDA	3,853	4,777	7,233	6,977	2,081
Profit Before Taxation (PBT)	3,333	4,291	6,848	6,635	1,309
Profit After Taxation (PAT)	2,660	4,302	6,708	6,458	1,847
Profit For The Year Attributable to Equity Holders	2,660	4,302	6,708	6,458	1,847
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Non-current assets					
Property, Plant & Equipment	2,121	1,669	1,386	2,662	4,369
Investment in subsidiary	28	28	-	-	-
Other investment	2,000	2,000	-	-	-
Total non-current assets	4,149	3,697	1,386	2,662	4,369
Current assets					
Trade and other receivables	14,156	12,484	11,393	13,751	5,198
Short term funds	-	-	-	4,866	33,774
Cash and bank balances	2,592	2,895	3,010	639	389
Total current assets	16,748	15,379	14,403	19,256	39,361
TOTAL ASSETS	20,897	19,076	15,789	21,918	43,730
EQUITY AND LIABILITIES					
Share Capital	2,000	2,000	2,000	14,853	20,000
Reserves	10,312	14,614	12,853	6,470	20,323
Equity attributable to owner of the Parent	12,312	16,614	14,853	21,323	40,323
Non-controlling interests	-	-	(64)	-	-
TOTAL EQUITY	12,312	16,614	14,789	21,323	40,323
LIABILITIES					
Non-current liabilities					
Borrowing	-	-	-	-	735
Hire purchase liabilities	149	97	43	-	-
Deferred tax liabilities	162	23	7	53	88
Total non-current liabilities	311	120	50	53	823
Current Liabilities					
Trade and other payables	7,540	1,801	683	313	465
Borrowing	-	-	-	-	71
Hire purchase liabilities	48	52	54	-	-
Dividend payable	-	-	-	-	2,000
Current tax liabilities	686	489	213	229	48
Total current liabilities	8,274	2,342	950	542	2,584
TOTAL LIABILITIES	8,585	2,462	1,000	595	3,407
TOTAL EQUITY AND LIABILITIES	20,897	19,076	15,789	21,918	43,730

FINANCIAL STATISTICS					
PBT Margin (%)	38.16	47.89	67.68	57.78	15.04
PAT Margin (%)	30.45	48.02	66.30	56.24	21.22
Number of Shares (Units)	2,000,000	2,000,000	2,000,000	148,533,000	200,000,000
Basic Earning Per Share (RM)	1.33	2.15	3.35	0.04	0.01

Notes:

* *2011, 2012 and 2013 information are for comparison purposes only where the results represented were from IDOTTV Sdn. Bhd., prior to the acquisition on 24 July 2014 by Sedania Innovator Berhad. Further details can be found in the prospectus of the Company dated 9 June 2015.*

CORPORATE MILESTONE

2004

Incorporation of IDOTTV Sdn. Bhd. to develop media content

Ventured into mobile technology and innovation

Collaboration Agreement with Celcom Axiata Berhad ("Celcom") for the provision of Celcom Airtime Share ("ATS") services

2005

Commercially launched Celcom Airtime Request services

2006

Granted MSC Malaysia status company by Multimedia Development Corporation (MDeC) Sdn. Bhd.

2008

ATS transactions with Celcom hit 300,000 transactions per day

2009

ATS transaction with Celcom hit 400,000 transactions per day

Renewal of agreement with Celcom for the provision of Celcom Airtime Share

2011

Conceptualised the eco-friendly GreenBilling© mobile application

Winner of the International Arch of Europe Awards (Frankfurt) by Arch of Europe for Quality and Technology in Gold Category

2012

Winner of Corporate Social Responsibility Leadership Awards at Asia Pacific Young Business Conference

Winner of WITSA[1] Global ICT Excellence Awards (Montreal) - Sustainable Growth Awards for GreenBilling© Application

2013

Selected for the TERAS[2] program under Unit Peneraju Agenda Bumiputera ("TERAJU")

Signed agreement with Rayyan Global Sdn. Bhd. for provision of ATS Solutions to Maxis Berhad ("Maxis") subscribers

Entered into an agreement with SIB (Bangladesh) Limited for provision of ATS Solutions to subscribers of Robi Axiata Limited in Bangladesh ("Robi")

2014

Commercially launched ATS with Robi and Maxis

Received award from Celcom Digital Service for Highest Growth Service for ATS Celcom 2013

Conceptualised and introduced application-based ATS for multiple Mobile Network Operations

Launched GreenBilling© Beta version

Launched Credit SOS with Celcom

2015

Selected under syarikat Skim Jejak Jaya Bumiputera ("SJJB") programme

Agreement Renewal with Celcom for Airtime Share and Celcom Airtime Request until 2020

Listed on the ACE Market of Bursa Malaysia Securities

Collaboration Agreement with TuneTalk Sdn. Bhd. for the provision of TuneTalk ATS services

Launched ShareShare mobile application

[1] *World Information Technology and Services Alliance*
[2] *High Performing Bumiputera Companies or Syarikat Bumiputera Berprestasi Tinggi*

DIRECTORS' PROFILE

Y. BHG. TAN SRI ABDUL HALIM BIN ALI
Senior Independent Non-Executive Chairman

Y.Bhg. Tan Sri Abdul Halim Bin Ali, Malaysian, aged 72, was appointed to the Board as the Senior Independent Non-Executive Chairman on 25 July 2014. He is the chairman of the Nomination Committee and a member of the Remuneration Committee and the Audit & Risk Management Committee.

He graduated from University of Malaya, with a Bachelor of Arts (Honours) in History in 1965. He has almost forty-eight (48) years of working experience.

Upon graduation, he joined the Ministry of Foreign Affairs in 1966, where he held several domestic and overseas postings until his appointment in 1979, as the Malaysia Deputy Permanent Representative to the United Nations. From 1982 to 1985, he was the Malaysian Ambassador to Vietnam and subsequently appointed the Deputy Secretary General III (Administration) of the Ministry of Foreign Affairs in Malaysia. He then served as the Malaysian Ambassador to Austria from 1988 to 1991. From 1991 until 1996, he was the Deputy Secretary General I (Political Affairs) until his promotion in 1996 to Secretary General of the Ministry of Foreign Affairs. In 1998, he was appointed as the Chief Secretary to the Government of Malaysia until his retirement in 2001. After his retirement, he was appointed the Chairman of the Employees Provident Fund until January 2007.

He is the Chairman of the Multimedia Development Corporation, Universiti Teknologi Malaysia, IJM Corporation Berhad and Malaysia Building Society Berhad.

Y.Bhg. Tan Sri Abdul Halim Bin Ali has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company.

DATUK NOOR AZRIN BIN MOHD NOOR
Managing Director

Datuk Noor Azrin Bin Mohd Noor, Malaysian, aged 46, was appointed to the Board as the Managing Director on 25 July 2014.

He graduated with a Bachelor of Law (Hons) from University of Wolverhampton, United Kingdom in 1994. He is the founder of the Group and has more than twenty-two (22) years of working experience, with eighteen (18) years in media and telecommunication industry and the remainder in legal and corporate banking.

Datuk Noor Azrin Bin Mohd Noor began his career upon obtaining his law degree as a fresh, young legal executive following which he joined D&C Bank as Corporate Banking Officer in 1993. In 1995, he joined MEASAT, now known as Astro as the Head of Entertainment and Sports, pioneering acclaimed shows namely "Roda Impian", MTV Music Television Lip Service, Who Wants to be a Millionaire, as well as illustrious sports entertainment, the English Premier League, Italian Serie A, FIFA World Cup and the UEFA Champions League among others, earning him the nickname "Father of Football".

In 2004, armed with the experiences gained in intellectual property and media where he is an undisputed expert, Datuk Azrin established IDOTTV Sdn. Bhd., now a wholly-owned subsidiary of Sedania Innovator Berhad.

He is also the author of three books, the first of them was MPH's number 1 bestseller, "Non-Conforming", the second published and co-authored in 2015 with his father, Yg. Arif Dato' Mohd Noor, "Unplugged, #WillYouStillBeAMalaysianIn10Years?", and the third "Stories For Our Children".

Datuk Noor Azrin Bin Mohd Noor does not hold any directorship in any other public corporation.

Datuk Noor Azrin Bin Mohd Noor and Noor Syafiroz Bin Mohd Noor, the Executive Director of the Group are siblings.

DIRECTORS' PROFILE
cont'd

NOOR SYAFIROZ BIN MOHD NOOR
Executive Director

Noor Syafiroz Bin Mohd Noor, Malaysian, aged 39, was appointed to the Board as the Executive Director on 25 July 2014.

He graduated in 1998 from La Trobe University, Australia with a Bachelor of Commerce. He has over four (4) years audit experience and over thirteen (13) years in business and business management.

He started his career with Messrs. Ernst and Young in 1998 as an auditor. Subsequently in 2002, he left and joined Silacom Sdn. Bhd. as General Manager. In 2005, he joined Sedania Corporation Sdn. Bhd. ("SCSB") as the General Manager for business management group where he was involved in acquiring content rights for Internet Protocol television platforms. He was subsequently promoted to Director of Operations in 2006. He has held various positions within the SCSB group serving as Executive Director of IDOTTV from 2004 onwards and CEO of IDOTTV from 2008 to 2010. Between 2011 and 2012, he was also appointed as the CEO of Sedania As Salam Capital Sdn. Bhd., a subsidiary of SCSB.

Noor Syafiroz Bin Mohd Noor does not hold any directorship in any other public corporation.

Noor Syafiroz Bin Mohd Noor and Datuk Noor Azrin Bin Mohd Noor, the Managing Director of the Group, are siblings.

Y.BHG. TAN SRI NURAIZAH BINTI ABDUL HAMID
Independent Non-Executive Director

Y.Bhg. Tan Sri Nuraizah Binti Abdul Hamid, Malaysian, aged 71, was appointed to the Board as the Independent Non-Executive Director on 21 January 2015. She is the Chairman of the Remuneration Committee and a member of the Nomination Committee and the Audit & Risk Management Committee.

She graduated from University of Malaya with a Bachelor of Arts (Hons) majoring in History in 1967 and was awarded a Masters of Public Administration in 1975 by The American University, Washington, D.C, USA.

Y.Bhg. Tan Sri Nuraizah has a total of thirty-six (36) years of working experience in the public sector. She started as an Assistant Secretary in the Cabinet Division of the Prime Minister's Department in 1967. In 1970, she was posted as an Assistant Director in the Implementation Coordination Unit of the Prime Minister's Department. From 1976-1979 she served as a Principal Assistant Secretary and, then, Under Secretary for the Planning and Development Division in the Ministry of Agriculture and Rural Development. She was seconded to serve as a Programme Officer at ESCAP in Bangkok from 1979-1981. From 1981-1989 she served as Deputy Director (Establishment) 2 and from 1989-1992 as the Director, Salaries and Allowances Division, Public Service Department. From 1992-1996, she was the Deputy Secretary-General 1 in the Ministry of Education and was, subsequently, posted as Secretary General in the Ministry of Energy, Telecommunications and Posts from 1996-1998. After a reorganization of the Ministry as the new Ministry of Energy, Communications and Multimedia, she continued to serve as its Secretary General from 1999-2000. From 2000-2003 she served as Chairman of the Malaysian Communications and Multimedia Commission. In December 2010, Y.Bhg. Tan Sri Nuraizah was appointed as Pro-Chancellor of Universiti Teknologi MARA, Malaysia.

Y.Bhg. Tan Sri Nuraizah Binti Abdul Hamid does not hold any directorship in any other public corporation. She has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company.

DIRECTORS' PROFILE
cont'd

DATUK SYED IZUAN BIN SYED KAMARULBAHRIN
Independent Non-Executive Director

Datuk Syed Izuan Bin Syed Kamarulbahrin, Malaysian, aged 46, was appointed to the Board as an Independent Non-Executive Director on 21 January 2015. He is the Chairman of the Audit & Risk Management Committee and a member of the Remuneration Committee and the Nomination Committee.

He graduated from Emile Woolf College of Accountancy, London in 1992. He is a Fellow Member of the Association of Chartered Certified Accountants UK, a Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He has over twenty (20) years of working experience in accounting, corporate finance and advisory.

He started his career with Price Waterhouse in 1993, carrying out statutory audit on private and public limited companies. In 1996, he joined Malaysian Resources Corporation Berhad, as Assistant Manager handling business development and corporate affairs. In 1998, he joined Sapura Holdings Sdn. Bhd. as an Investment Manager and in 2003 while holding the position as the Chief Financial Officer, he was also appointed as a Board Member of Sapura Resources Berhad. In 2006, he joined Tradewinds Plantation Berhad as its Chief Financial Officer. Subsequently, in 2007, he joined Kuwait Finance House (Malaysia) Berhad and eventually became its Head of International Business. From October 2010 to December 2011, he was the Chief Executive Officer of Global Carriers Berhad. Currently, he is attached to The Weststar Group, which is primarily involved in the automotive, aviation, construction & property, defence and engineering sectors, as the Financial Adviser to the Group's Executive Chairman.

Datuk Syed Izuan Bin Syed Kamarulbahrin does not hold any directorship in any other public corporation. He has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company.

KOH EU-JIN
Non-Independent Non-Executive Director

Koh Eu-Jin, Malaysian, aged 39, was appointed to the Board as the Non-Independent Non-Executive Director on 21 January 2015.

He graduated in 2000 from University of Technology, Sydney with a Bachelor of Business. He is a Chartered Accountant with the Institute of Chartered Accountants in Australia and a Chartered Accountant with the Malaysian Institute of Accountants. He has over three (3) years of working experience in accounting, three (3) years in corporate finance and nine (9) years in private equity.

He started his career with Messrs. Arthur Andersen & Co. in 2000 as an Associate and was subsequently promoted to Senior Associate in 2002. In 2003, he joined ECM Libra Capital Sdn. Bhd. as an Associate of Corporate Finance and was subsequently promoted to Director of Corporate Finance in 2006. In the same year, he went on to join Navis Management Sdn. Bhd. as an Investment Manager and was subsequently promoted to Investment Director in 2008. In 2012, he joined Maybank Private Equity Sdn. Bhd. as Chief Investment Officer.

Koh Eu-Jin does not hold any directorship in any other public corporation. He has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company.

He is the representative and nominated director of MAM PE Asia Fund I (Labuan) LLP on the Board.

CEO'S PROFILE

KAMSHUL BIN KASIM
Chief Executive Officer

Kamshul Bin Kasim, Malaysian, aged 54, was appointed as Chief Executive Officer on 1 July 2015.

He graduated from College of Engineering, Marquette University Wisconsin, USA with a Bachelor of Science in Electrical Engineering in 1988. Kamshul brings over thirty (30) years of experience in the telecommunications and technology related industry.

He was the Chief Executive Officer (CEO) in Sociètè des Tèlècomunications de Guinèe (SOLTELGUI S.A) in Guinea, West Africa. He was also the CEO and Chief Technology Officer (CTO) in Telekom Malaysia International (Bangladesh) with the brand name AKTel, which is now known as Robi Axiata Limited in Bangladesh, and Vice President of various divisions including Mobile Services Division in Celcom (Malaysia) Sdn. Bhd., now known as Celcom Axiata Berhad. As the CEO of Sedania Innovator Berhad, he is responsible for leading the Group's development and execution with long and short term strategies to create shareholder value, all day-to-day management decisions and implementing the Group's long and short term plans. He also acts as a direct liaison between the Board and management for the Group, communicating to the Board on behalf of the management.

Kamshul Bin Kasim has no interest in the securities of the Company and does not hold any directorship in any other public corporation. He has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of Sedania Innovator Berhad ("SEDANIA") and its subsidiary ("the Group") for the financial year ended ("FYE") 31 December 2015. A significant milestone in our history took place on 29 June 2015 when we were successfully listed on the ACE Market of Bursa Malaysia Securities Berhad.

FINANCIAL REVIEW

For FYE 31 December 2015, the Group posted revenue of RM8.70 million, which was RM2.78 million or 24.20% lower as compared to RM11.48 million in the corresponding year ended 31 December 2014. The decrease in revenue was due to lower average number of transactions per day recorded for the Group's ATS services.

The Group recorded profit before tax of RM1.31 million for the FYE ended 31 December 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, including marketing, research & development ("R&D"), listing expenses for the Initial Public Offering ("IPO"), recurring post-listing expenses and non-recurring expenses such as expenses in relation to Employees' Share Option Scheme ("ESOS") during the financial year.

INDUSTRY TRENDS AND DEVELOPMENT

We had a challenging year in 2015 as the economy continued to be uncertain due to the downfall of the Ringgit and oil prices. Furthermore, the rise in the cost of living due to the implementation of Goods and Services Tax ("GST") from April 2015 onwards had inevitably affected consumer spending power.

On a more positive note, a stiffer competition between telecommunication companies should benefit consumers in terms of their spending power as telecommunication companies continue to provide competitive packages to fight for market share. We also see that the number of smartphone users is increasing as more users are utilising data usage to fulfill their regular communication needs.

Overall, 2015 was challenging yet critical to us because we started to adapt to the change in consumer's behavior towards data usage by focusing on our ATS mobile application services to cater to the new trend and provide better experience to our users.

PROSPECTS

In 2015, the Group has launched Enhanced Favourite Number and ATS Community Portal/ATS Loyalty Points, Enhanced Schedule Transfer and application-based ATS. The Group has also expanded its customer base by signing up with a new Mobile Network Operator ("MNO") and a Mobile Virtual Network Operator ("MVNO"). All the above form part of the series of plans and strategies to further expand the business of the Group in 2016.

In addition, 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.

We expect 2016 to be a challenging year given the ongoing uncertainties of crude oil prices, the value of the Ringgit vis-a-vis the US Dollar, their impact on the local economy and change in consumer spending patterns particularly in telecommunications industry. Many consumers will make adjustments in their use of communication services to control costs.

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.

DIVIDEND

In line with the Group's commitment to enhance the shareholder value, 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 FYE 31 December 2015. The first interim dividend was paid on 29 February 2016.

APPRECIATION

On behalf of the Board of Directors, I wish to convey my sincere gratitude to our valued customers, business partners and shareholders for their continued support, loyalty and trust in the Group.

Last but not least, my sincere thanks to my Board Members for their continuous contribution and support. Not forgetting our management team and employees, I extend to them my sincere appreciation for their dedication and high level of commitment to the Group.

Y. Bhg. Tan Sri Abdul Halim Bin Ali
Senior Independent Non-Executive Chairman

CORPORATE SOCIAL RESPONSIBILITY

Sedania Innovator Berhad ("SEDANIA") and its subsidiary ("Group") understand the importance of contributing to the communities. As a Group, we are highly aware of our responsibilities to create a better community, leaving a legacy and contributing where we can. We believe that the future of our businesses will leave an impact on the community.

The Group sees significance in building great relationships with employees, business partners, shareholders and customers alike. In compliance with Corporate Social Responsibility ("CSR") the Group recognises its CSR responsibilities to the communities by committing to specific areas.

WORKPLACE

The Group believes in providing a conducive and motivating environment for its employees to further enhance their creativity, capabilities and efficiency. We organise staff gatherings throughout the year to bring together employees for a better working relationship. Furthermore, we also carry out activities that bring out the best qualities in them, organising team building and regular social activities.

CORPORATE SOCIAL RESPONSIBILITY
cont'd

COMMUNITY

The Group also believes in giving back to the community by helping those in need. We understand that giving is better than receiving. In January 2015, we organised a flood aid mission to Kelantan. We delivered bottled water, dried food, clothes, mini gas stoves and other essentials to the flood victims.

As an act of thanksgiving, we also held our Majlis Berbuka Puasa at Le Meridien Kuala Lumpur in June 2015. We invited children from an orphanage home and the Asnaf As Solihin to join us for the event. The Group also held a thanksgiving event with a different orphanage home in celebration of the holy month. We look forward to doing more similar events for the community to bring improvement and betterment where we can.

ENVIRONMENT

The Group always emphasises on recycling. We reuse the paper we do not need and discard the papers to be recycled in a box provided. We encourage everyone to use both sides of a sheet of paper for printing and copying. The little things that we do to create a better environment could be impactful if everyone plays their part. We believe everyone has a vital role in improving the environment to provide a better future for the next generation.

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors ("the Board") of Sedania Innovator Berhad ("the Company") is committed towards ensuring that good Corporate Governance is observed throughout the Group. Upholding integrity and professionalism in its management of the affairs of the Group, the Board aims to enhance business prosperity and corporate accountability with the ultimate objective of realising long-term shareholders' value and safeguarding the interests of other stakeholders.

This statement describes how the Group has applied the principles set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and except where stated otherwise, its compliance with the best practices of the MCCG 2012 for the financial year ended 31 December 2015.

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 June 2015 ("the Listing Date") and up to the date of this statement, the Group has been actively introducing new policies and procedures and improving the Group's processes and controls in order to ensure that the Group's internal processes, guidelines and systems are reviewed and aligned with sound corporate governance practices.

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:-

1) reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
2) overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
3) identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
4) ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
5) overseeing the development and implementation of a shareholder communications policy; and
6) reviewing the adequacy and integrity of the Group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

(i) Board Charter

The primary objective of the Company's Board Charter is to set out the roles and responsibilities of the Board, the division of authority and responsibilities of the Board and Management, terms of reference and composition of the Board Committees and other administrative policies and procedures in relation to the operation of the Board as a whole.

The Board Charter is published on the Company's website at www.sedaniainnovator.com.

(ii) Sustainability

The Board views the commitment to sustainability and environment, social and governance performance as part of its broader responsibility to clients, shareholders, workplace and the communities in which it operates. Every business decision that the Group makes pertaining to growth and profitability is consistent with its social and environmental needs for sustainability.

Disclosures on corporate responsibility are presented under "Corporate Social Responsibility" of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE
cont'd

PRINCIPLE 1 – ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT *cont'd*

(iii) Access to Information and Advice

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors. Each Director is provided with the agenda and a full set of Board papers providing details on business performance, operational, financial, corporate developments and other relevant documents prior to each Board meeting with the aim of enabling the Directors to make well-informed decisions on matters arising at the Board meetings. It is the primary responsibility of the Chairman of the Board to organise such information necessary for the Board to deal with the agenda and the Board adopts a formal schedule of matters specifically referred to it for decision.

All issues raised, discussions, deliberations, decisions and conclusions including dissenting views made at Board meetings along with clear actions to be taken by responsible parties are recorded in the minutes. Where the Board is considering a matter in which a Director has interest, the relevant Director immediately discloses the interest and abstains from participating in any discussion or decision making on the subject matter.

(iv) Access to Senior Management, Company Secretary and Independent Professional Advice

Complete and unrestricted access is provided to the Board, either collectively or in their individual capacity by Senior Management. In addition to regular presentations by the Senior Management to the Board and Board Committees, Directors may seek briefings from Senior Management on specific matter.

The Board also has unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Company Secretary is responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required.

Likewise, the Directors, whether as a full Board or in their individual capacity, have access to independent professional advice whenever such services are needed to assist them in carrying out their duties at the Company's expense.

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD

(i) Board Composition and Balance

The current Board consists of six (6) members, comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Executive Directors. This composition fulfills the requirement as set out in paragraph 15.02 of the ACE Market Listing Requirement ("LR") of Bursa Securities, which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, are independent directors.

The Board believes that the current composition is appropriate given the nature of business and scale of operations of the Group. The Company shall pursue diversity in terms of gender and qualification to improve boardroom diversity.

The Board regularly reviews the composition of the Board and its Committees to ensure appropriate balance and a good mix of skills and experience. The Board members comprise high calibre individuals with diverse professional backgrounds, skills and extensive experience and knowledge in their respective fields. Together the Directors with their wide range of competencies, capabilities, technical skills and relevant business experience add value in governing the strategic direction of the Company.

The profiles of the members of the Board are provided in this Annual Report set out on pages 8 to 10.

The Executive Directors are generally responsible for making and implementing operational decisions whilst the Non-Executive Directors support the skills and experience of the Executive Directors, contributing to the formulation of policy and decision-making with their knowledge of and experience in other business sectors.

STATEMENT ON CORPORATE GOVERNANCE
cont'd

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD *cont'd*

(ii) Establishment of Nomination Committee

The Nomination Committee is comprised exclusively of three (3) Independent Non-Executive Directors, as follows:

Names of Committee Members	Designation
Tan Sri Abdul Halim Bin Ali	Chairman *(Senior Independent Non-Executive Director)*
Tan Sri Nuraizah Binti Abdul Hamid	Member *(Independent Non-Executive Director)*
Datuk Syed Izuan Bin Syed Kamarulbahrin	Member *(Independent Non-Executive Director)*

In accordance with its Terms of Reference, the Nomination Committee reviewed the Board structure on the designation, roles and responsibilities of the individual Directors of the Company to ensure that the Board has the required mix of skills, experience and other core competencies.

The Nomination Committee held two (2) meetings during the financial year. The details of attendance are as follows:

Members	Number of Meetings attended in 2015
Tan Sri Abdul Halim Bin Ali	2/2
Tan Sri Nuraizah Binti Abdul Hamid	2/2
Datuk Syed Izuan Bin Syed Kamarulbahrin	2/2

The primary responsibilities of the Nomination Committee are as follows:

(a) assessing and recommending to the Board the candidature of directors, appointment of directors to Board Committees;

(b) reviewing of Board's succession plans and training programmes;

(c) ongoing assessment of the Board as a whole, the various Committees and each individual directors; and

(d) undertaking annual assessment of the independence of independent directors in the Board beyond the independent director's background, economic and family relationships but considering they can continue to bring independent and objective judgement to Board deliberations.

(iii) Board Evaluation

For the financial year under review, the Board assisted by the Nomination Committee reviewed the skills, experience of the individual Director and assessed the effectiveness of the Board as a whole.

The Board evaluation criteria was reviewed by the Nomination Committee during the financial year.

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD *cont'd*

(iii) Board Evaluation *cont'd*

The Board evaluation comprises Board and Board Committee assessments, assessment of Independence of Independent Directors and the contribution of each individual Director. The evaluations involve individual Directors and Committee members completing a set of evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered by the Company. The criteria for assessing the independence of an Independent Director include the relationship between the respective Independent Director and the Group and his involvement in any significant transaction with the Group. The Board also undertook a self-assessment in which they assessed their own performance. All assessments and evaluations carried out by the Nomination Committees were properly documented.

The Board was satisfied with the performance and effectiveness of the Board and Board Committees who have discharged their duties and responsibilities effectively.

(iv) Appointment, Re-appointment and Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors (including the Managing Director) shall retire from office and be eligible for re-election at each Annual General Meeting and all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Directors appointed during the year will be subject to retirement and re-election by shareholders at the Annual General Meeting.

Directors who are over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(2) and Section 129(6) of the Companies Act, 1965. The performance of those Directors who are subject to re-appointment and re-election at the Annual General Meeting are assessed by the Nomination Committee and recommendations are submitted to the Board for approval.

The Board believes that diversity in the Board's composition will bring value to board deliberation. The Board recognises the benefit of diversity in gender and hence gender will be considered in the recruitment and appointment of Directors. The Board currently has one (1) woman Director and is satisfied with the current composition.

(v) Establish formal and transparent remuneration policies and procedures for the Board

The Board has established a Remuneration Committee to oversee the function of remunerating the Board in a manner that attracts, retains and motivates Directors.

The Remuneration Committee currently comprises exclusively of three (3) Independent Non-Executive Directors, as follows:

Names of Committee Members	Designation
Tan Sri Nuraizah Binti Abdul Hamid	Chairman *(Independent Non-Executive Director)*
Tan Sri Abdul Halim Bin Ali	Member *(Senior Independent Non-Executive Director)*
Datuk Syed Izuan Bin Syed Kamarulbahrin	Member *(Independent Non-Executive Director)*

The Remuneration Committee held two (2) meetings during the financial year ended 31 December 2015. The details of attendance are as follows:

Members	Number of Meetings attended in 2015
Tan Sri Abdul Halim Bin Ali	2/2
Tan Sri Nuraizah Binti Abdul Hamid	2/2
Datuk Syed Izuan Bin Syed Kamarulbahrin	2/2

STATEMENT ON CORPORATE GOVERNANCE
cont'd

PRINCIPLE 2 – STRENGTHEN COMPOSITION OF THE BOARD *cont'd*

(v) Establish formal and transparent remuneration policies and procedures for the Board *cont'd*

The aggregate remuneration of directors for the financial year under review is as follows:

	Executive Directors RM	Non-Executive Director RM	Total RM
Fees	180,000	115,000	295,000
Meeting allowance	-	18,000	18,000
Benefits-in-kind	20,000	40,000	60,000
	200,000	173,000	373,000

The number of Directors whose remuneration falls into the following bands is as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	3	3
RM50,001 to RM100,000	2	1	3
	2	4	6

PRINCIPLE 3 - REINFORCE INDEPENDENCE OF THE BOARD

(i) Reinforcement of Independence

The Board acknowledges the importance of Independent Non-Executive Directors in bringing objectivity and impartiality in providing unbiased opinion and judgement to ensure that the interests of the Group, shareholders, customers and other stakeholders are taken into account during its decision making process. Currently the Board consists of three (3) Independent Non-Executive Directors who neither involved themselves in the business transactions nor participated in the day-to-day management of the Group. The Independent Non-Executive Directors satisfy the definition set out in the LR of Bursa Securities and the Company meets the minimum requirement prescribed by the LR of Bursa Securities to have at least one-third (1/3) of its Board members being Independent Non-Executive Directors.

In line with the recommendation of MCCG 2012, the tenure of the Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. Should the Board intend to retain the Director as an Independent Non-Executive Director after the latter has served a cumulative term of nine (9) years, shareholders' approval will be sought at general meeting.

An Independent Non-Executive Chairman leads the Board and he is also identified as the Senior Independent Non-Executive Director to whom concerns may be conveyed by fellow directors, shareholders and other stakeholders.

PRINCIPLE 3 - REINFORCE INDEPENDENCE OF THE BOARD *cont'd*

(ii) Division of Roles and Responsibilities between the Chairman and the Managing Director

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Managing Director. This division ensures that there is a clear and proper balance of power and authority. As such, the role of the Chairman and the Managing Director is separated. The Chairman's main responsibility is to ensure effective conduct of the Board through the execution of the following key roles:

(a) building a high performance Board by leading the evaluation of the Board's performance and ensuring that succession planning is considered on an ongoing basis;

(b) managing Board meetings to ensure robust decision making by ensuring the provision of accurate, timely and clear information to all Directors. The Chairman encourages participation and deliberation by Board members to tap the wisdom of all the Board members and to promote consensus building as much as possible;

(c) facilitating the Board and Management interface by acting as the conduit between the two parties;

(d) facilitating the selection and appointment of a successor to the Managing Director; and

(e) acting as a spokesperson for the Board and the Company.

The Chairman has never assumed an executive position in the Company.

The Managing Director has overall responsibilities over the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. In addition, the Managing Director by virtue of his position as a Board member, also functions as the intermediary between the Board and management.

PRINCIPLE 4 – FOSTER COMMMITMENT OF DIRECTORS

The Board requires all members to devote sufficient time and effort to carry out their responsibilities. Each Director is expected to commit time as and when required to effectively discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees. Board Meetings and Board Committee meetings are scheduled in advance of the new financial year to facilitate the Directors in planning their meeting schedule for the year. Special Board meetings are convened between the scheduled meetings to consider urgent matters that require expeditious decision or deliberation by the Board.

In order for the Board meetings to be more effective and in-depth deliberations of matters are achieved, the meeting agenda at Board meetings are sequenced in such a way taking into consideration the complexity of the proposal and/or whether they are items for approval, discussion or notation by the Board.

Whenever necessary, Senior Management or external advisors are also invited to attend Board and Board Committee meetings to provide further clarity on agenda items being discussed to enable the Board and/or Board Committees to arrive at a considered and informed decision.

During the financial year under review, the Board met six (6) times to review the Group's operations, strategies and business plans, review and approve the quarterly financial results and annual financial statements and other matters requiring the Board's approval. All Directors attended all the Board meetings held during the financial year and have complied with the minimum requirement of 50% attendance at board meetings as stipulated in the LR of Bursa Securities.

STATEMENT ON CORPORATE GOVERNANCE
cont'd

PRINCIPLE 4 – FOSTER COMMMITMENT OF DIRECTORS *cont'd*

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities. Their meeting attendance at the board meetings held during the financial year under review is as follows:

Names of Directors	Attendance at Meetings in 2015
Tan Sri Abdul Halim Bin Ali	6/6
Datuk Noor Azrin Bin Mohd Noor	6/6
Tan Sri Nuraizah Binti Abdul Hamid	5/5
Datuk Syed Izuan Bin Syed Kamarulbahrin	5/5
Koh Eu-Jin	5/5
Noor Syafiroz Bin Mohd Noor	6/6

Directors' Training – Continuing Education Programmes

The Board recognises the importance of continuous professional development and training for directors. All directors of the Company have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities.

During the financial year, seminars and training programmes attended include topics relating to corporate governance, risk management, corporate strategy, leadership management and new legislation. The directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on regular basis.

An induction briefing will be provided by the Board and Senior Management to newly appointed Independent Non-Executive Directors to provide them with in-depth knowledge of the Group's business and strategies.

PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results of operations, changes in equity and cash flows for the period then ended.

In preparation of the financial statements, the Board has ensured that:

(a) suitable accounting policies have been adopted and applied consistently;

(b) judgments and statements made are reasonable and prudent; and

(c) financial statements have been prepared on a going concern basis.

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit and Risk Management Committee, comprising wholly Independent Non-Executive Directors. The composition of the Audit and Risk Management Committee, its terms of reference and the activities carried out are summarised in the Audit and Risk Management Committee Report as stated on page 25 to page 33 of this Annual Report.

The Audit and Risk Management Committee's primary responsibility is to ensure that financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

With assistance from the Audit and Risk Management Committee, the Board oversees the Group's financial reporting processes and the quality of its financial reporting.

PRINCIPLE 6 – RECOGNISE AND MANAGE RISKS OF THE GROUP

The Board recognises that the ultimate responsibility for ensuring the Group's sound internal control system and reviewing its effectiveness lies with the Board. In achieving this, the Board ensures that principal risks in the Group are identified, measured and managed with appropriate internal control system, and that the effectiveness, adequacy and integrity of the internal control system is reviewed on an ongoing basis.

The Statement on Risk Management and Internal Control, which provides an overview of the risk management framework and state of internal control within the Group, is presented on page 34 to page 38 of this Annual Report.

PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company is committed to ensure that all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate manner.

The Company releases all announcements, material and price sensitive information in a timely manner to Bursa Securities as required under the ACE Market Listing Requirements of Bursa Securities as well as Company's updates to the market and community through the Company's website, media releases and other appropriate channels.

The Executive Directors authorise and are responsible for approving the release of all major communications to the regulators, shareholders and stakeholders.

PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

Investors and Shareholders Relationship

The Board recognises the importance of maintaining effective communication with its investors and shareholders. An Investor Relation function has been established to facilitate communication between the Company and its existing shareholders and potential investors.

The Investor Relation function communicates with the shareholders and investors through periodic roadshows and investors briefing, with fund managers, institutional investors and research analysts. Information such as the Group's performance, strategy and major development are presented and explained during these investors briefing.

Apart from the mandatory announcements of the Group's financial results and corporate developments to Bursa Securities, the Group maintains a website (www.sedaniainnovator.com) where shareholders and prospective investors can access corporate information, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated email address, investorrelations@sedaniainnovator.com to which stakeholders can direct their queries or concerns.

General Meetings

The Company's Extraordinary General Meeting ("EGM") and Annual General Meeting ("AGM") represent the primary platforms for direct two-way interaction between the shareholders, Board and management of the Company. The Company's first AGM since its listing date to be held on 10 May 2016 will act as a principal forum for dialogue with all shareholders. They are encouraged and will be given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. Shareholders are encouraged to participate in the Question and Answer session on the resolutions to be proposed or about the Group's operation in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles of Association to attend and vote on their behalf. The Chairman and the Board Members are in attendance to provide clarification on shareholders' queries.

In accordance with the Company's Articles of Association, voting at general meetings will be conducted by show of hands or by poll if so demanded by the shareholders or Chairman of the meeting. The Chairman, at the commencement of the Annual General Meeting, informs shareholders of their right to vote by poll. Poll voting will be carried out in resolutions involving related party transactions as required by the ACE Market Listing Requirements of Bursa Securities.

STATEMENT ON CORPORATE GOVERNANCE
cont'd

COMPLIANCE STATEMENT

The Company has complied with the Principles as set out in the Malaysian Code on Corporate Governance 2012 and the relevant chapter of the ACE Market Listing Requirement of Bursa Securities on Corporate Governance to the extent as set out above throughout the financial year ended 31 December 2015.

This Statement on Corporate Governance was approved by the Board of Directors on 24 March 2016.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

The members of the Audit and Risk Management Committee ("ARMC" or "the Committee") during the financial year are as follows:

Names of Committee Members	Designation
Datuk Syed Izuan Bin Syed Kamarulbahrin	Chairman *(Independent Non-Executive Director)*
Tan Sri Abdul Halim Bin Ali	Member *(Senior Independent Non-Executive Director)*
Tan Sri Nuraizah Binti Abdul Hamid	Member *(Independent Non-Executive Director)*

MEETINGS

For the financial year ended 31 December 2015, three (3) ARMC meetings were held. Details of attendance of each member at the ARMC meetings are as follows:

Members	Number of Meetings attended in 2015
Datuk Syed Izuan Bin Syed Kamarulbahrin	3/3
Tan Sri Abdul Halim Bin Ali	3/3
Tan Sri Nuraizah Binti Abdul Hamid	3/3

The Audit Committee was established on 25 July 2014 and subsequently renamed as Audit and Risk Management Committee on 29 February 2016. Datuk Syed Izuan Bin Syed Kamarulbahrin is a Chartered Accountant by profession and a Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities. The ARMC, therefore meets the requirements of paragraph 15.09(1)(c) of the ACE Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which stipulates that at least one (1) member of the ARMC must be a qualified accountant. The ARMC comprises exclusively of Independent Non-Executive Directors.

The Group's Chief Financial Officer and the Internal Auditors attended ARMC meetings upon invitation. Representatives of the External Auditors, Messrs. BDO and other Board members also attended some of the meetings upon invitation by the Chairman of the ARMC.

The ARMC Chairman reports to the Board on principal matters deliberated at ARMC meetings. Minutes of each meeting are circulated to the Board in the next Board Meeting.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE

Composition and Membership

The Board must appoint the members of the Committee from amongst the Directors which fulfill the following requirements:

(a) the ARMC must be composed of not fewer than three (3) members;

(b) all the ARMC members must be non-executive directors, with a majority of them being independent directors; and

(c) at least one (1) member of the ARMC:

(i) must be a member of the Malaysian Institute of Accountants; or

(ii) if he is not a member of the Malaysia Institute of Accountants, he must have at least three (3) years' working experience and -

(aa) he must have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act, 1967; or
(bb) he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or

(iii) fulfills such other requirements as prescribed or approved by Bursa Securities.

The Board must ensure that no alternate director is appointed as a member of the ARMC.

Chairman

The members of the ARMC must elect a Chairman from among themselves who is an Independent Director.

If the Chairman is not present at a meeting within five minutes after the time appointed for holding the meeting, the members of the ARMC may elect one of their members to be the Chairman of the meeting.

Functions

The ARMC, amongst others, shall discharge the following functions:

(a) review the following and report the same to the Board of the Company:

(i) with the external auditors, the audit plan;

(ii) with the external auditors, the evaluation of the system of internal controls;

(iii) with the external auditors, the audit report;

(iv) the assistance given by the employees of the Company to the external auditors;

(v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

(vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

(vii) the quarterly results and the year end financial statements, before the approval by the Board, focusing particularly on:

(aa) changes in or implementation of major accounting policy changes;
(bb) significant and unusual events; and
(cc) compliance with accounting standards and other legal requirements;

(viii) any related party transaction and conflict of interests situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(ix) any letter of resignation from the external auditors of the Company;

(x) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

(b) recommend the nomination of a person or persons as external auditors.

Procedure of the Committee Meetings

The ARMC shall meet at least four (4) times a year at appropriate times in the reporting cycle and otherwise as required.

In order to form a quorum in respect of ARMC meeting, the majority of members present must be independent directors.

Meetings of the ARMC shall be summoned by the Secretary at the request of any of its members or at the request of external or internal auditors if they consider it is necessary.

Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee by email at the email address provided by each member of the Committee, and also any other Directors or persons required to attend, no later than seven (7) working days before the date of the meeting. Other supportive and informative materials will be delivered to each Committee member and to other attendees at least three (3) working days before the meeting.

The written notice of special/emergency meetings, prepared agenda and other supportive and informative materials shall be delivered to all Committee members at least twenty-four (24) hours before the meeting.

Questions arising at any meeting of the ARMC shall be determined by a majority of votes. Where two (2) ARMC members form a quorum, the Chairman of a meeting at which only such a quorum is present or at which only two (2) committee members are competent to vote on the question at issue, shall not have a casting vote.

Reporting of Breaches to the Designated Stock Exchange

Where a member of the ARMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the member must promptly report such matter to the Bursa Securities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Rights of the ARMC

The Company must ensure that wherever necessary and reasonable for the performance of its duties, the ARMC must in accordance with a procedure to be determined by the Board and at the cost of the Company:

(a) have authority to investigate any matter within its terms of reference;

(b) have the resources which are required to perform its duties;

(c) have full and unrestricted access to any information pertaining to the Company;

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

(e) be able to obtain independent professional or other advice; and

(f) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Retirement and Resignation

In the event of any vacancy in the ARMC, the Board must fill the vacancy within three (3) months.

Review of the ARMC

The Board must review the term of office and performance of the ARMC and each of its members at least once every three (3) years to determine whether the ARMC and such members have carried out their duties in accordance with their terms of reference.

Duties of the ARMC

The ARMC should carry out the duties below for the parent company, major subsidiary undertakings and the group as a whole, as appropriate:

Financial Reporting

The ARMC shall:

(a) monitor the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results' announcements and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements that they contain. The ARMC shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents such as announcements of a price sensitive nature.

(b) review and challenge where necessary:

(i) the consistency of, and any changes to, accounting policies both on a year-to-year basis and across the Company/Group;

(ii) the methods used to account for significant or unusual transactions where different approaches are possible;

(iii) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditors;

(iv) the clarity of disclosure in the Company's financial reports and the context in which statements are made; and

(v) all material information presented with the financial statements, such as the operating and financial review and the Corporate Governance statement (insofar as it relates to the audit and risk management).

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Duties of the ARMC *cont'd*

Whistleblowing

The ARMC shall review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The ARMC also shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Internal Audit

The ARMC shall:

(a) monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system;

(b) approve the appointment and removal of the head of the internal audit who reports directly to the ARMC and should have the relevant qualifications and be responsible for providing assurance to the Board that the internal controls are operating effectively;

(c) consider and approve the remit of the internal audit function and ensure that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The ARMC shall also ensure that the function has adequate standing and is free from management or other restrictions;

(d) review and assess the annual internal audit plan;

(e) review promptly all reports on the Company from the internal auditors;

(f) review and monitor management's responsiveness to the findings and recommendations of the internal auditors; and

(g) meet the head of internal audit at least once a year, without management being present, to discuss their remit and any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Chairman of the Board and to the ARMC.

External Audit

The ARMC shall:

(a) consider and make recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of Company's external auditors. The ARMC shall oversee the selection process for new external auditors and if an external auditor resigns, the ARMC shall investigate the issues leading to this and decide whether any action is required;

(b) oversee the relationship with the external auditors including (but not limited to):

    (i) approving their remuneration, whether fees for audit or non-audit services and verifying that the level of fees is appropriate to enable an adequate audit to be conducted;

    (ii) approving their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;

    (iii) assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any non-audit services;

    (iv) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditors and the Company (other than in the ordinary course of business);

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

External Audit *cont'd*

(v) agreeing with the Board a policy on the employment of former employee of the Company's auditors, then monitoring the implementation of this policy;

(vi) monitoring the auditors' compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and

(vii) assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures;

(c) meet regularly with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The ARMC shall meet the external auditors at least once a year, without management being present, to discuss their remit and any issues arising from the audit;

(d) review and approve the annual audit plan and ensure that it is consistent with the scope of audit engagement;

(e) review the findings of the audit with the external auditors. This shall not include, but not be limited to, the following:

(i) a discussion of any major issues that arose during the audit;

(ii) any accounting and audit judgment; and

(iii) level of errors identified during the audit.

the ARMC shall also review the effectiveness of the audit;

(f) review any representation letter requested by the external auditors, before being signed by management;

(g) review the management letter and management's response to the auditors' findings and recommendations;

(h) report to the Board on the matters set out in and relating to MCCG 2012 as amended from time to time;

(i) prepare summary of its works during the year for inclusion in the Company's Corporate Governance Statement/Report (including a report on how the ARMC met its responsibilities in its review of the Company's quarterly and annual results and internal controls system, and its other duties under the MCCG 2012; details of the Company's non-compliance with MCCG 2012 and LR (if any) and remedial steps taken by the Company to address such non-compliance);

(j) develop and implement a policy on the supply of non-audit services by the external auditors, taking into account any relevant ethical guidance on the matter; and

(k) obtain written assurance from the external auditors confirming that they are, and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Risk Management and Internal Control

The Board has delegated to the Committee the task of undertaking a periodic review of the effectiveness, adequacy and integrity of the Groups' risk management framework and internal control systems.

The ARMC's responsibilities include:

(a) to assess that proper processes exist for determining, monitoring and reviewing the risk profile of the Group and the effective communication to the relevant business units;

(b) to assess whether risk policies and procedures exist;

(c) to assess management's process for identifying, evaluating and addressing risks;

(d) to assess management's proses for monitoring internal controls and risk management and to provide reasonable assurance that they continue to cooperate as intended and are modified as business conditions change;

(e) to assess management's effort to embed risk management in all aspects of the Group's activities and promoting a risk awareness culture within the Group;

(f) to assess the adequacy of infrastructure, resources and systems for effective risk management;

(g) to review and assess on an ongoing basis, including discussing with the Senior Management on any significant risk management and internal controls issues that require, or are subject to remedial action or recommendations and actions taken thereon;

(h) to receive formal feedback from the outsourced internal auditor and the external auditor on the adequacy of risk management and internal control system; and

(i) to conduct an annual assessment, including seeking assurance from the Chief Executive Officer and Chief Finance Officer whether the risk management and internal control systems of the Group have been adequate and effective in all material aspects during the year under review and up to the date of approval of the statement for inclusion in the annual report.

Review of Conflict of Interest Situation and Related Party Transactions

The ARMC shall:

(a) review and report to the Board any related party transactions and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(b) review related party transactions and conflict of interest situations and ensure that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders;

(c) ensure that management establishes a comprehensive framework for the purposes of identifying, monitoring, evaluating, reporting and approving such situations and transactions. Such framework should be able to provide sufficient assurance that is related to party transactions and conflict of interest situations, including recurrent related party transactions, are identified, evaluated, presented for review and approval and reported, where required. The ARMC may request the internal auditors or other external consultants to review the effectiveness, adherence to and relevance of the framework;

(d) in addition, there could be transactions that may not fall within the definition of a related party transaction as per the LR strictly but may still involve certain level of conflict of interest due to the close proximity of the transacting parties or where the director or major shareholder may derive personal gain or advantage from the transaction or arrangement.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

TERMS OF REFERENCE *cont'd*

Reporting Responsibilities

(a) The Chairman of the ARMC shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

(b) The ARMC shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

(c) The ARMC shall compile a report to shareholders on its activities to be included in the Company's annual report.

Corporate Governance

The ARMC's responsibilities include:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and Senior Management;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance/risk management manual applicable to employees and Directors;

(e) to review the Company's compliance with MCCG 2012 and disclosure in its Corporate Governance Report/Statement;

(f) to report back to the Board on its decision or recommendations (unless there are legal or regulatory restrictions on its ability to do so); and

(g) to prepare a summary of its work during the year for inclusion in the Company's Corporate Governance Report/Statement (including a report on the corporate governance policies and the work of the ARMC during the year).

Other Matters

The ARMC shall:

(a) have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required;

(b) be provided with appropriate and timely training, in the form of an induction programme for new members and an ongoing basis for all members;

(c) give due consideration to laws and regulations, the provisions of MCCG 2012 and the requirements of Bursa Securities and other securities rules as appropriate;

(d) be responsible for co-ordination of the internal and external auditors;

(e) oversee any investigation of activities that are within its terms of reference and act as a court of the last resort; and

(f) at least once in every three (3) years, to review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

AUTHORITY

The ARMC is authorised:

(a) to seek any information it requires from any employee for the Company in order to perform its duties;

(b) to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference; and

(c) to call any employee to be questioned at a meeting of the ARMC as and when required.

SUMMARY OF ACTIVITIES IN 2015

The ARMC carried out its duties in accordance with its terms of reference. The main activities undertaken by the ARMC are as follows:

(a) **Financial Reporting**

(i) Monitor the integrity of the financial statements of the Company, including its annual and interim reports, preliminary results' announcements and any other formal announcements relating to the Company's financial performance, reviewing significant financial reporting issues and judgments that they contain.

(ii) Review the external auditors' audit plan, scope of work and results of the annual audit for the Group and the Management Letter including management's response.

(iii) Convene a meeting with the external auditors without the presence of the Executive Directors and management to discuss relevant issues and obtain feedbacks.

(b) **Internal Audit**

(i) Review and approve the internal audit plan for the Group proposed by internal auditors to ensure adequacy of the scope of coverage.

(ii) Review the internal auditors' scope of work and audit plan for the year.

(iii) Review the quarterly non-audited financial results of the Company and the Group before recommending them for Board's approval for announcement to Bursa Securities.

(iv) Review the risk profile of the Group and the adequacy and integrity of the internal auditors.

(v) Review the corporate governance report and recurrent related party transactions report prepared by internal auditors.

(vi) Review the audit and follow-up reports presented by the internal auditors which include their findings and recommendations. The ARMC further deliberated those findings, management's responses and internal auditors' recommendations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board recognises the importance of sound internal controls and risk management practices towards implementation of good corporate governance. The system of internal control that has been put in place is designed to identify and manage the principal risks faced by the businesses in pursuit of its objectives.

The Board is pleased to set out below the Board's Statement on Risk Management and Internal Control ("Statement") which is prepared in accordance with Rule 15.26(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, Malaysian Code on Corporate Governance 2012 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines"). This Statement outlines the nature and scope of risk management and internal control of the Group and there are no material associates that have not been dealt with as part of the Group on applying the Guidelines.

2. BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and reviewing the adequacy and integrity of those processes. However, it also recognises that due to inherent limitations, the Group's system of internal control is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the Board is also of the view that the Group's system of internal control can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board believes that the review on the adequacy and effectiveness of the system of internal control and risk management is a concerted and continuous process. Such reviews are conducted through the various committees established by the Board and Management. The Board has, through the Audit and Risk Management Committee, carried out the process of identifying, evaluating, monitoring and managing the key operational and financial risks affecting the achievement of its corporate objectives throughout the period.

The Board is of the view that system of internal controls in place for the year under review is sound and adequate after taking into consideration of the costs and benefits to safeguard the Group's assets and protect the stakeholders' interests in ensuring achievement of the business objectives and enhancing shareholder value.

3. RISK MANAGEMENT FRAMEWORK

The Board affirms that effective risk management is an essential and indispensable part of corporate management. The Group strives to manage risk effectively with a view to protect assets and stakeholders, ensuring achievement of the business objectives and enhancing shareholder value. The implementation of Enterprise-Wide Risk Management Program ("ERM") to further assist in the management of risks of the Group has been established.

The Board believes that risk management should not be viewed in isolation as it is very much part of strategic planning initiatives. It also believes that risk management should also be balanced, taking into consideration the cause and effect of the essential components of the organisation. With adequate risk management, the Group will be able to maximise opportunities to reach its full potential.

The Board further acknowledges that risk management is an ongoing process and business risks are embedded and forms an important part of the internal control system of the Group. As such, continuous efforts are made to improve the policies, processes, people and structures within the Group.

To successfully achieve the organisation's vision, mission and objectives, it is crucial for the Group and the Board to understand the nature of risks faced by the organisation and ensure that effective mitigation plans are in place. The views, interests, and benefits of stakeholders have also been considered in ensuring the risk management robustness in response to changing business environment and enhancing the ability to make better business decision.

The Board has a stewardship responsibility to understand the risks faced by the Group, to communicate the requirements of the Group's policy and to guide the organisation in dealing with these risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

3. RISK MANAGEMENT FRAMEWORK *cont'd*

The Group maintains a governance structure that strengthens the process of risk identification, evaluation and mitigation as well as risk reporting, which enables the Group to manage the changing operating environments in a structured and effective manner. The Risk Management structure is established to ensure that roles, responsibilities and accountabilities for managing risks are clearly defined and communicated.

The Board, assisted by the Audit and Risk Management Committee, approves the overall risk management framework and reviews and approves the Group's risk profiles against the agreed risk appetite. Responsibility for risk management resides at all levels within the organisation from the executive to the operational level at all business units and business support functions. The Audit and Risk Management Committee's role, supported by the outsourced internal audit consultant ("IA Consultant") is to provide an independent assessment of the adequacy and reliability of the risk management processes.

The above risk management framework facilitates and enhances the ability of the Board and Management to manage risks within defined risk parameters and risk standards. In addition, the framework and the systematic approach in the ERM process will help to optimise the effects of uncertainties or risks on the Group's business objectives and also manages potential risks in light of changes in risk profile experienced by the industry and the Group.

4. INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL

The Group's internal audit function is outsourced to an independent professional consulting firm, Messrs. C.H. Loo & Co. The duty of the internal audit is to examine and evaluate major processes of operations of the Group in order to assist the Board in the effective discharge of the Board's responsibilities.

The IA Consultant aims to advise management on areas for improvement, highlight on significant findings in respect of any non-compliance and subsequently perform follow-up reviews to determine the extent to which the recommendations have been implemented.

IA Consultant reports independently to the Audit and Risk Management Committee. In the course of performing its duties, IA Consultant has unrestricted access to all functions, records, documents, personnel, or any other resources or information, at all levels throughout the Group. Being an independent third party, the IA Consultant is able to perform the internal audit function with impartiality, proficiency and due professional care.

The IA Consultant adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The audit plan will be presented to the Audit and Risk Management Committee for approval annually. The resulting reports from the audits undertaken will be reviewed by the Audit and Risk Management Committee and then forwarded to the management team for attention and necessary corrective actions. The management team is responsible for ensuring the corrective actions on reported weaknesses are taken within the required time frame.

During the year under review, the IA Consultant has conducted various risks-based internal audit ("RBIA") assignments on a quarterly basis and made recommendations in improving the system of internal controls to the Audit and Risk Management Committee. The areas of RBIA audit covered were Corporate Governance, disaster recovery plan, business continuity plan, business development, marketing and credit risk management.

5. OTHER KEY INTERNAL CONTROLS

The Board is committed in maintaining a strong control structure and environment to facilitate the proper conduct of the Group's businesses and operations. The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls are as stated below:

- **Organisational Structure**

  The Group has in place an organisational structure that is aligned to business efficacy and operational requirements, with clearly defined lines of accountability, responsibility and delegated authority. The Board is the pinnacle of the corporate governance structure of the Group. The Board is assisted not only by the Executive Management team, but also by delegation of authority to the independent board committees such as the Audit and Risk Management, Nominating and Remuneration Committees in specific areas for enhanced internal control and corporate governance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

5. OTHER KEY INTERNAL CONTROLS *cont'd*

- **Executive Review and Management Meetings**

  There has been active participation by the Executive Directors in the day-to-day running of business operations, and regular dialogue with Senior Management of the respective business units.

  Management meetings, attended by the Executive Directors and respective Head of the Business Units are held on a regular basis to identify, discuss and report on operational performance, business strategy, financial and key management issues of each business units.

- **Policies, Procedures and Financial Authority Limits**

  The Group has in place documented policies and procedures to govern the financial and operational functions, and ethics of the Group. The objectives of the policies and procedures are to ensure ethic, compliance with applicable laws and regulations, internal control principles and mechanisms are embedded in operations and that there is a clear line of responsibility and accountability among the business units of the Group. Some of the key policies and procedures implemented within the Group are:

  a) Group's Authority Manual

  The Group's Authority Manual assigns authority to the Board and to the appropriate level of Management staff to exercise control on the Group's commitment of both capital and operational expenditures. It provides limits to enable decisions to be taken timely and at the same time provides check and balance on the amounts and types of commitments that Management can undertake on behalf of the Group. The Authority Manual is approved by the Board and is regularly updated as and when is necessary.

  b) Operational Manuals

  Operational manuals for business units are available within the Group and set out policies and procedures for day-to-day operations and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. The manuals enable tasks to be carried out with minimal supervision.

  c) IT Policies and Procedures

  The IT Security Policy incorporates the Corporate Policy on among others, the usage of personal computer software, email and internet, management of IT assets and security implementation for the antivirus level protection. It is established to achieve and maintain confidentiality, integrity, availability, authenticity and reliability of information and data processing.

  d) Whistleblowing Policy

  The Group's whistleblowing policy guides employees of the Group in communicating and reporting instances of illegal or immoral conduct to the appropriate parties within the Group and at the same time protecting these employees against victimisation, discrimination or being disadvantaged in any way arising from such communications. Arrangements are in place for the proportionate and independent investigations on all allegations or reports from within or outside the Group with appropriate follow up actions. The policy builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group.

  e) Group Communication Policy

  The Board has also adopted a Communication Policy to ensure that all decisions made are communicated promptly to all staff at all levels within the Group and to enable the Group to communicate effectively with its shareholders, major investors, other stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

5. OTHER KEY INTERNAL CONTROLS *cont'd*

- **Policies, Procedures and Financial Authority Limits** *cont'd*

f) Human Resource Policy

The Group has implemented a Human Resource Policy and Code of Conduct that set out general employment terms and conditions and set the tone for control consciousness and employee conduct. It is designed to provide guidelines to employees with the objective of ensuring issues and matters during the tenure of their employment are properly understood by all employees. It is a written guideline which clearly defines the organisation's policies, company's expectations of employees and employee's expectations toward the Company.

The Group has also incorporated a Talent and Succession Management policies and procedures within the Human Resource Policy. This is part of the Group's organisational development initiative to ensure leadership and talent continuity for all key positions and to enhance the Group's capability to systematically identify, evaluate, develop, deploy and retain those who are qualified, eligible and suitable to be potential successors for Senior Level Mission Critical Positions.

In addition, internal control procedures have been set out in a series of other standard operating practice manuals and business process manuals to serve as guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement.

- **Strategic Business Planning, Budgeting and Reporting**

A Group strategic business planning process is in place where the financial planning is correlated to the Group's strategic business plans. The Group performs an annual budgeting and forecasting exercise including development of business strategies and establishment of key performance indicators against which units within the Group can be evaluated. The Group's strategic direction is also reviewed annually in light of the prevailing market conditions and significant market risks.

Financial performance and Monthly Management Accounts which serve as a monitoring tool are circulated to key management staff and regularly compared against budgetary parameters, with explanations of major variances, reviews of internal and external factors contributing to performance, and an account of management actions taken to improve results. Variances against budget are analysed and reported internally on a monthly basis in Management meetings.

- **Performance Reporting and Monitoring**

On a quarter and annual basis, the financial results together with their variances are reported and reviewed by the Board to enable them to gauge the Group's achievement of its annual targets and review any key financial and operational issues.

- **Investment Appraisal**

Major investment proposals on mergers and acquisitions as well as long-term business investments are thoroughly reviewed and appraised by the Board.

- **Insurance and Physical Safeguards**

Adequate insurance provision and security measures on major assets of the Group are provided to ensure that it sufficiently safeguards against any mishap that will result in material losses to the Group.

- **Human Resource Management System**

A structured Performance Management System has been developed as a means to instil a performance culture within the Group and to align operations with corporate objectives as well as employees' interest with the shareholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

5. OTHER KEY INTERNAL CONTROLS *cont'd*

- **Human Resource Management System** *cont'd*

  As such, to assess and reward staff, the Group carries out formal appraisals on an annual basis. These formal appraisals are guided by Key Performance Indicators ("KPIs"). All employees of the Group have individual KPIs.

  Manpower planning, selection, recruitment and promotion guidelines are established and carried out to ensure that key positions within the Group, are filled by staff with the appropriate calibre and the relevant competencies to support the achievement of the Group's objectives and to effectively manage the risks to ensure achievement of these objectives. A computerised Human Resource Management System, e-HRMS, provides a comprehensive employee database and an efficient support system for managing human resource functions. In addition, all new hires are required to attend a New Hire Orientation/ Induction program when they join the Group.

6. WEAKNESS IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

The Management identified minor internal control weaknesses during the period, all of which are being addressed. No major internal control weaknesses were identified nor did any of the reported weaknesses result in material losses or contingencies requiring disclosure in the Group Annual Report. Management continues to take measures to strengthen the control environment.

7. ASSURANCE STATEMENT BY SENIOR MANAGEMENT

The CEO and CFO have provided assurance to the Board, at their best knowledge and believe, that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial period under review until the date of this statement.

8. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the external auditors have reviewed this Statement. As set out in their terms of engagement, the said review procedures were performed in accordance with the Recommended Practice Guide 5 (Revised): Guidance for Auditors On Engagements To Report On The Statement On Risk Management and Internal Control Included in the Annual Report ("RPG 5") issued by the Malaysian Institute of Accountants.

RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. RPG 5 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is factually inaccurate.

9. CONCLUSION

The Board is of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report 2015. The Board will continue to review and take measures to strengthen the internal control environment from time to time based on the recommendations proposed by the IA Consultant.

The Board recognises that the development of the system of internal control is an ongoing process as part of its efforts in managing the risk faced by the Group. Consequently, the Board maintains an ongoing commitment to further strengthen the control environment within the Group.

This statement was approved by the Board of Directors on 24 March 2016.

OTHER INFORMATION AND ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS FROM PUBLIC ISSUE

Sedania Innovator Berhad ("SEDANIA" or "the Company") was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 June 2015 ("Listing"). In conjunction with the Listing, the Company undertook a public issue of 51,467,000 new ordinary shares of RM0.10 each at an issue price of RM0.38 per share ("Public Issue"), raising gross proceeds of RM19.56 million.

The status of the utilisation of the gross proceeds from the Public Issue as at 31 December 2015 is as follows:

Purpose	Proposed utilisation	Amount Utilised as at 31 Dec 2015	Balance as at 31 Dec 2015	Estimated Timeframe for Utilisation (from the listing date)
	RM'000	RM'000	RM'000	
Capital Expenditure	4,000	860	3,140	Within 24 months
Marketing Expenses	4,100	306	3,794	Within 24 months
R&D Expenses	2,500	862	1,638	Within 12 months
Working capital*	6,757	1,868	4,889	Within 24 months
Listing expenses*	2,200	1,083	1,117	Within 3 months
	19,557	4,979	14,578	

Note:

The above utilisation of proceeds should be read in conjunction with Section 3.6 of the Company's Prospectus dated 9 June 2015 and the Company's announcements dated 20 August 2015, 24 November 2015 and 29 February 2016.

* *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.*

SHARE BUY-BACK

The Company did not have a share buy-back programme in place during the financial year ended 31 December 2015.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2015.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 31 December 2015.

MATERIAL SANCTIONS AND/OR PENALTIES

There were no material sanctions and/or penalties imposed on the Company and its subsidiary ("the Group"), Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2015.

OTHER INFORMATION AND ADDITIONAL COMPLIANCE INFORMATION
cont'd

NON-AUDIT FEES

The Company incurred non-audit fees amounting to RM5,000 for services rendered by external auditors to the Group during the financial year ended 31 December 2015. The non-audit services provided by the external auditors were in relation to the review of the Statement on Risk Management and Internal Control, and the review of the breakdown of realised and unrealised profits or losses.

VARIATION IN RESULTS

There was no material variation between the audited results for the financial year ended 31 December 2015 and the unaudited results announced by the Company to Bursa Securities previously.

PROFIT ESTIMATE, FORECAST OR PROJECTION

The Company did not issue any profit estimate, forecast or projection for the financial year ended 31 December 2015.

PROFIT GUARANTEE

The Company did not provide/receive any profit guarantee during the financial year ended 31 December 2015.

MATERIAL CONTACTS INVOLVING DIRECTORS AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders, either subsisting at the end of the financial year ended 31 December 2015 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

There were no materials recurrent related party transactions entered into by the Group during the financial year ended 31 December 2015.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiary are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group	Company
	RM	RM
Profit for the financial year	1,847,368	8,570,867
Attributable to:		
Owners of the parent	1,847,368	8,570,867
Non-controlling interest	-	-
	1,847,368	8,570,867

DIVIDEND

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 31 December 2015:	
Interim single tier dividend of 1 sen per ordinary share, paid on 29 February 2016	2,000,000

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM14,853,300 to RM20,000,000 by way of issuance of 51,467,000 new ordinary shares of RM0.10 each at issued price of RM0.38 per ordinary share for cash pursuant to Initial Public Offering ("IPO").

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Tan Sri Abdul Halim Bin Ali
Tan Sri Nuraizah Binti Abdul Hamid
Datuk Noor Azrin Bin Mohd Noor
Datuk Syed Izuan Bin Syed Kamarulbahrin
Noor Syafiroz Bin Mohd Noor
Koh Eu-Jin

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM0.10 each			
	Balance as at 1.1.2015	**Bought**	**Sold**	**Balance as at 31.12.2015**
Shares in the Company				
Direct interests:				
Tan Sri Abdul Halim Bin Ali	-	100,000	-	100,000
Tan Sri Nuraizah Binti Abdul Hamid	-	100,000	-	100,000
Datuk Noor Azrin Bin Mohd Noor	8,856,560	30,000	-	8,886,560
Datuk Syed Izuan Bin Syed Kamarulbahrin	-	100,000	-	100,000
Noor Syafiroz Bin Mohd Noor	-	100,000	-	100,000

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS cont'd

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM1.00 each			
	Balance as at 1.1.2015	**Bought**	**Sold**	**Balance as at 31.12.2015**
Shares in the ultimate holding company				
- Sedania Corporation Sdn. Bhd.				
Direct interests:				
Datuk Noor Azrin Bin Mohd Noor	999,999	-	-	999,999

By virtue of his interest in the shares of the ultimate holding company, Datuk Noor Azrin Bin Mohd Noor is also deemed to be interested in the shares of the subsidiaries of the ultimate holding company to the extent of the ultimate holding company's interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

(a) remuneration received or due and receivable by certain Directors as directors of a subsidiary; and

(b) deemed benefits arising from related party transactions as disclosed in Note 26 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any extend;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT
cont'd

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 29 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Sedania Corporation Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Datuk Noor Azrin Bin Mohd Noor
Director

Noor Syafiroz Bin Mohd Noor
Director

Kuala Lumpur
24 March 2016

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 50 to 105 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2015.

In the opinion of the Directors, the information set out in Note 30 to the financial statements on page 106 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Datuk Noor Azrin Bin Mohd Noor
Director

Noor Syafiroz Bin Mohd Noor
Director

Kuala Lumpur
24 March 2016

STATUTORY DECLARATION

I, Rizalzin Hashim Bin Mohammed, being the officer primarily responsible for the financial management of Sedania Innovator Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 106 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
24 March 2016)

Rizalzin Hashim Bin Mohammed

Before me:

Baloo A/L T. Pichai (No. W663)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SEDANIA INNOVATOR BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sedania Innovator Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 105.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' report on the accounts of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SEDANIA INNOVATOR BERHAD
cont'd

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 30 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on 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, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
2895/08/16 (J)
Chartered Accountant

Kuala Lumpur
24 March 2016

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	4,368,619	2,662,256	-	-
Investment in a subsidiary	8	-	-	14,853,280	14,853,280
		4,368,619	2,662,256	14,853,280	14,853,280
Current assets					
Trade and other receivables	9	5,198,619	13,750,828	29,594	-
Short term funds	10	33,773,787	4,866,297	27,943,416	-
Cash and bank balances	11	388,668	638,821	100,904	20
		39,361,074	19,255,946	28,073,914	20
TOTAL ASSETS		43,729,693	21,918,202	42,927,194	14,853,300
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	20,000,000	14,853,300	20,000,000	14,853,300
Reserves	13	20,322,797	6,470,125	19,540,950	(1,035,221)
		40,322,797	21,323,425	39,540,950	13,818,079
TOTAL EQUITY		40,322,797	21,323,425	39,540,950	13,818,079

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2015
cont'd

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Borrowing	14	735,595	-	-	-
Deferred tax liabilities	15	87,932	53,424	-	-
		823,527	53,424	-	-
Current liabilities					
Trade and other payables	16	464,703	312,716	1,386,244	1,035,221
Borrowing	14	71,115	-	-	-
Dividend payable	21	2,000,000	-	2,000,000	-
Current tax liabilities		47,551	228,637	-	-
		2,583,369	541,353	3,386,244	1,035,221
TOTAL LIABILITIES		3,406,896	594,777	3,386,244	1,035,221
TOTAL EQUITY AND LIABILITIES		43,729,693	21,918,202	42,927,194	14,853,300

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended to 31 December 2015

		Group		Company	
		1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	Note	RM	RM	RM	RM
Revenue	17	8,704,131	11,483,017	9,800,000	-
Other operating income		1,178,205	519,554	484,271	-
Directors' remuneration		(339,000)	(144,000)	(315,000)	(120,000)
Employee benefits	23	(4,146,594)	(2,461,461)	(191,215)	-
Depreciation of property, plant and equipment	7	(741,768)	(326,089)	-	-
Other operating expenses		(3,315,609)	(2,432,139)	(1,207,189)	(915,221)
Finance costs		(30,278)	(3,543)	-	-
Profit/(Loss) before tax	18	1,309,087	6,635,339	8,570,867	(1,035,221)
Taxation	19	538,281	(177,189)	-	-
Profit/(Loss) for the financial year/period		1,847,368	6,458,150	8,570,867	(1,035,221)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		1,847,368	6,458,150	8,570,867	(1,035,221)
Profit/(Loss) attributable to:					
Owners of the parent		1,847,368	6,470,122	8,570,867	(1,035,221)
Non-controlling interests		-	(11,972)	-	-
		1,847,368	6,458,150	8,570,867	(1,035,221)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,847,368	6,470,122	8,570,867	(1,035,221)
Non-controlling interests		-	(11,972)	-	-
		1,847,368	6,458,150	8,570,867	(1,035,221)
Basic and diluted earnings per share (sen)	20	1	10		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended to 31 December 2015

Group	Note	Share capital RM	Reorganisation debit RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2014		2,000,000	-	12,853,283	14,853,283	(64,548)	14,788,735
Profit for the financial year		-	-	6,470,122	6,470,122	(11,972)	6,458,150
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	6,470,122	6,470,122	(11,972)	6,458,150
Transaction with owners							
Adjustment arising from restructuring exercise	13	12,853,282	(853,280)	(12,000,000)	2	-	2
Disposal of a subsidiary	25	-	-	-	-	76,520	76,520
Issuance of ordinary shares	12	18	-	-	18	-	18
Total transaction with owners		12,853,300	(853,280)	(12,000,000)	20	76,520	76,540
Balance as at 31 December 2014		14,853,300	(853,280)	7,323,405	21,323,425	-	21,323,425

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended to 31 December 2015

cont'd

Group	Note	Share capital RM	Share premium RM	Reorganisation debit RM	Retained earnings RM	Total RM
Balance as at 1 January 2015		14,853,300	-	(853,280)	7,323,405	21,323,425
Profit for the financial year		-	-	-	1,847,368	1,847,368
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	1,847,368	1,847,368
Transactions with owners						
Issuance of ordinary shares pursuant to initial public offering	12	5,146,700	14,410,760	-	-	19,557,460
Share issue expenses		-	(405,456)	-	-	(405,456)
Interim dividend declared	21	-	-	-	(2,000,000)	(2,000,000)
Total transaction with owners		5,146,700	14,005,304	-	(2,000,000)	17,152,004
Balance as at 31 December 2015		20,000,000	14,005,304	(853,280)	7,170,773	40,322,797

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2015

Company	Note	Share capital RM	Share premium RM	(Accumulated losses)/ Retained earnings* RM	Total RM
Balance as at 17 December 2013, date of incorporation		2	-	-	2
Loss for the financial period		-	-	(1,035,221)	(1,035,221)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(1,035,221)	(1,035,221)
Transaction with owners					
Issuance of ordinary shares	12	14,853,298	-	-	14,853,298
Total transaction with owners		14,853,298	-	-	14,853,298
Balance as at 31 December 2014		14,853,300	-	(1,035,221)	13,818,079
Profit for the financial year		-	-	8,570,867	8,570,867
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	8,570,867	8,570,867
Transactions with owners					
Issuance of ordinary shares pursuant to initial public offering	12	5,146,700	14,410,760	-	19,557,460
Share issue expenses		-	(405,456)	-	(405,456)
Interim dividend declared	21	-	-	(2,000,000)	(2,000,000)
Total transactions with owners		5,146,700	14,005,304	(2,000,000)	17,152,004
Balance as at 31 December 2015		20,000,000	14,005,304	5,535,646	39,540,950

**Distributable*

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015

		Group		Company	
		1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		1,309,087	6,635,339	8,570,867	(1,035,221)
Adjustments for:					
Deposit written off		-	7,350	-	-
Depreciation of property, plant and equipment	7	741,768	326,089	-	-
Dividend income		-	-	(9,800,000)	-
Gain on disposal of:					
- a subsidiary	25	-	(187,114)	-	-
- property, plant and equipment		(738)	(136,665)	-	-
Impairment loss on other receivables	9	170,000	-	-	-
Interest expense		30,278	3,543	-	-
Income distribution received from short term funds		(622,929)	(106,389)	(283,416)	-
Interest income		(855)	-	(855)	-
Unrealised gain on foreign exchange		(164,415)	(89,386)	-	-
Operating profit/(loss) before working capital changes		1,462,196	6,452,767	(1,513,404)	(1,035,221)
Increase in trade and other receivables		(114,763)	(2,455,295)	(29,594)	-
Increase/(Decrease) in trade and other payables		148,732	(177,661)	168,535	9,000
Cash generated from/(used in) operations		1,496,165	3,819,811	(1,374,463)	(1,026,221)
Tax paid		(212,189)	(115,484)	-	-
Tax refunded		603,892	-	-	-
Net cash from/(used in) operating activities		1,887,868	3,704,327	(1,374,463)	(1,026,221)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2015

cont'd

	Note	Group 1.1.2015 to 31.12.2015 RM	Group 1.1.2014 to 31.12.2014 RM	Company 1.1.2015 to 31.12.2015 RM	Company 17.12.2013 to 31.12.2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		-	-	9,800,000	-
Purchase of property, plant and equipment	7	(1,726,936)	(1,621,138)	-	-
Proceeds from disposal of property, plant and equipment		749	150,000	-	-
Repayments from/(Advances to) ultimate holding company		7,940,181	(103,504)	-	-
Advances from a subsidiary		-	-	182,488	1,026,221
Repayment from related companies		-	360,000	-	-
Income distribution received from short term funds		622,929	106,389	283,416	-
Interest received		855	-	855	-
Net cash from/(used in) investing activities		6,837,778	(1,108,253)	10,266,759	1,026,221
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		850,000	-	-	-
Repayments of hire purchase liability		-	(97,443)	-	-
Repayments of term loan		(43,290)	-	-	-
Proceeds from issuance of ordinary shares	29(a)	19,557,460	18	19,557,460	18
Payment of share issue expenses		(405,456)	-	(405,456)	-
Interest paid		(27,023)	(3,543)	-	-
Net cash from/(used in) financing activities		19,931,691	(100,968)	19,152,004	18
Net increase in cash and cash equivalents		28,657,337	2,495,106	28,044,300	18
Cash and cash equivalents at date of incorporation		-	2	-	2
Cash and cash equivalents at beginning of financial year		5,505,118	3,010,010	20	-
Cash and cash equivalents at end of financial year	11	34,162,455	5,505,118	28,044,320	20

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

1. CORPORATE INFORMATION

Sedania Innovator Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at 10th floor, Kelana Parkview Tower, Jalan SS6/2, 47301 Petaling Jaya, Selangor Darul Ehsan.

The immediate and ultimate holding company of the Company is Sedania Corporation Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2015 comprise the Company and its subsidiary. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 24 March 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiary are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

However, Note 30 to the financial statements set out on page 106 has been prepared in accordance with Guidance on 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*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgment in the process of applying the accounting policies. The areas involving such judgments, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiary is prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiary is changed to ensure consistency with the policies adopted by the other entities in the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(b) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) if the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.3 Business combinations *cont'd*

Business combination involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities were brought into the consolidated statement of financial position at their existing carrying amounts at the combination date.

In the consolidated financial statements of the merged entities, the cost of the merger would be cancelled against the nominal values of the shares/paid-up capital received. The difference between the cost of the merger and nominal values of the shares/paid-up capital received will remain and continue to be classified as part of equity of the Group and will be adjusted against suitable reserve in future, where appropriate. The combination date is the date on which one combining entity effectively obtains control of the other combining entities.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Office building	2%
SMS/IT equipment	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	20%

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4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.4 Property, plant and equipment and depreciation *cont'd*

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.6 Investment

Subsidiary

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.7 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investment in a subsidiary) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately. An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.8 Financial instruments *cont'd*

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) **Financial assets**

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.8 Financial instruments *cont'd*

(a) **Financial assets** *cont'd*

(iv) Available-for-sale financial assets *cont'd*

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) **Financial liabilities**

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.8 Financial instruments *cont'd*

(b) Financial liabilities *cont'd*

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.9 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent year, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available for sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.10 Borrowing cost

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing cost is recognised in profit or loss in the period in which they are incurred.

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4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.11 Income taxes

Income taxes include all taxes on taxable profits. Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) **Current tax**

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon taxable profits.

(b) **Deferred tax**

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current year's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiary make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the year in which the employees render their services.

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4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.15 Foreign currencies

(a) **Functional and presentation currency**

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) **Foreign currency translations and balances**

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the year in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and the specific recognition criteria have been met for each of the activities of the Group as follows:

(a) **Services rendered**

Revenue in respect of the rendering of services is recognised when services are rendered.

(b) **Dividend income**

Dividend income is recognised when the right to receive payments is established.

(c) **Interest income**

Interest income is recognised as it accrues, using the effective interest method.

4.17 Operating segments

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.17 Operating segments *cont'd*

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

   (i) the combined reported profit of all operating segments that did not report a loss; and

   (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.18 Earnings per share

(a) **Basic**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) **Diluted**

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.19 Fair value measurements

The fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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31 December 2015
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

4.19 Fair value measurements *cont'd*

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfill the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the financial year

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

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 - 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 - 2013 Cycle*	1 July 2014

There is no material impact upon the adoption of these Standards during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs *cont'd*

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016 *cont'd*

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company. *cont'd*

Title	Effective Date
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012 - 2014 Cycle*	1 January 2016
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018

The Company is in the process of assessing the impact of implementing these Standards as the effects would only be observable in future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgments made in applying accounting policies

There are no critical judgments made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in these financial statements.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

6.3 Key sources of estimation uncertainty

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. The estimated useful lives applied by the Group as disclosed in Note 4.4 to the financial statements reflects the Directors' estimate of the period that the Group expects to derive future economic benefits from the use of the Group's property, plant and equipment. These are common life expectancies applied in the industry the Group operates. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore, future depreciation charges could be revised. A five percent (5%) difference in the average useful lives of these assets from the management's estimates would result in less than two percent (2%) variance in profit for the financial year.

(b) Income taxes

Significant judgment is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised tax liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(c) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2015	Additions	Disposals	Depreciation charge for the financial year	Balance as at 31.12.2015
	RM	RM	RM	RM	RM
Carrying amount					
Office building	920,000	-	-	(20,000)	900,000
SMS/IT equipment	672,526	1,723,533	-	(363,407)	2,032,652
Furniture and fittings	111,878	222,540	(11)	(77,939)	256,468
Motor vehicles	950,000	-	-	(200,000)	750,000
Renovation	7,852	502,069	-	(80,422)	429,499
	2,662,256	2,448,142	(11)	(741,768)	4,368,619

7. PROPERTY, PLANT AND EQUIPMENT *cont'd*

	At 31.12.2015 Cost RM	Accumulated depreciation RM	Carrying amount RM
Office building	1,000,000	(100,000)	900,000
SMS/IT equipment	2,820,802	(788,150)	2,032,652
Furniture and fittings	522,887	(266,419)	256,468
Motor vehicles	1,000,000	(250,000)	750,000
Renovation	584,780	(155,281)	429,499
	5,928,469	(1,559,850)	4,368,619

Group	Balance as at 1.1.2014 RM	Additions RM	Disposals RM	Disposal of a subsidiary (Note 25) RM	Depreciation charge for the financial year RM	Balance as at 31.12.2014 RM
Carrying amount						
Office building	940,000	-	-	-	(20,000)	920,000
SMS/IT equipment	210,685	595,913	-	-	(134,072)	672,526
Furniture and fittings	151,174	24,725	-	(5,558)	(58,463)	111,878
Motor vehicles	73,335	1,000,000	(13,335)	-	(110,000)	950,000
Renovation	10,906	500	-	-	(3,554)	7,852
	1,386,100	1,621,138	(13,335)	(5,558)	(326,089)	2,662,256

	At 31.12.2014 Cost RM	Accumulated depreciation RM	Carrying amount RM
Office building	1,000,000	(80,000)	920,000
SMS/IT equipment	1,097,269	(424,743)	672,526
Furniture and fittings	304,354	(192,476)	111,878
Motor vehicles	1,000,000	(50,000)	950,000
Renovation	82,711	(74,859)	7,852
	3,484,334	(822,078)	2,662,256

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7. PROPERTY, PLANT AND EQUIPMENT *cont'd*

(a) As at 31 December 2015, office building of the Group with a carrying amount of RM900,000 (2014: RM920,000) has been charged to a bank for credit facilities granted to the Group as disclosed in Note 14 to the financial statements.

(b) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group 2015 RM	Group 2014 RM
Purchase of property, plant and equipment	2,448,142	1,621,138
Settlement of trade receivables via contra off purchase of property, plant and equipment	(721,206)	-
Cash payments on purchase of property, plant and equipment	1,726,936	1,621,138

8. INVESTMENT IN A SUBSIDIARY

At cost	Company 2015 RM	Company 2014 RM
Unquoted equity shares	14,853,280	14,853,280

(a) The details of the subsidiary are as follows:

Name of company	Country of incorporation	Effective interest in equity 2015	Effective interest in equity 2014	Principal activities
Idottv Sdn. Bhd.	Malaysia	100	100	Engaged in the business pertaining to or connected with telecommunications and information technology which include multimedia products and all other related activities.

(b) In the previous financial year, the Group disposed of its entire equity interest in a subsidiary, Mobtivate Sdn. Bhd., a company incorporated in Malaysia for a cash consideration of RM232,770 as disclosed in Note 25 to the financial statements.

(c) In the previous financial year, the Company completed the acquisition of the entire equity interests in Idottv Sdn. Bhd. from its ultimate holding company and one of the Directors for a total consideration of RM14,853,280, which was satisfied by the issuance of 148,532,800 new ordinary shares of RM0.10 each in the Company representing 118,826,240 units of ordinary shares of the Company to its ultimate holding company and 29,706,560 units of ordinary shares of the Company to the said Director.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Trade receivables				
Third parties	4,732,118	5,229,212	-	-
Other receivables, deposits and prepayment				
Other receivables	533,544	526,415	327	-
Amount owing by ultimate holding company	-	7,940,181	-	-
Refundable deposits	24,517	17,938	1,000	-
	558,061	8,484,534	1,327	-
Less: Impairment loss on other receivables	(170,000)	-	-	-
	388,061	8,484,534	1,327	-
Loans and receivables	5,120,179	13,713,746	1,327	-
Prepayments	78,440	37,082	28,267	-
	5,198,619	13,750,828	29,594	-

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 to 45 days (2014: 30 to 45 days) from the date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) In the previous financial year, amount owing by ultimate holding company represented payment of behalf, which were unsecured, interest free and payable on demand in cash and cash equivalents.

(c) The aging analysis of trade receivables of the Group are as follows:

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired	836,054	928,941
Past due, not impaired:		
- 30 to 90 days	1,326,307	1,886,842
- 91 to 180 days	1,552,617	2,413,429
- 180 to 360 days	891,514	-
- more than 360 days	125,626	-
	3,896,064	4,300,271
	4,732,118	5,229,212

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
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9. TRADE AND OTHER RECEIVABLES *cont'd*

(c) The aging analysis of trade receivables of the Group are as follows: *cont'd*

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payments history.

The trade receivables of the Group that are past due but not impaired are unsecured in nature.

(d) The reconciliation of movement in the impairment loss is as follows:

	Group	
	2015	**2014**
Other receivables	**RM**	**RM**
At 1 January	-	-
Charge for the financial year	170,000	-
At 31 December	170,000	-

(e) The currency exposure profile of receivables are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia	3,041,023	12,271,007	1,327	-
United States Dollar	2,074,017	1,442,739	-	-
Indonesian Rupiah	5,139	-	-	-
	5,120,179	13,713,746	1,327	-

(f) Information on financial risks of trade and other receivables are disclosed in Note 28 to the financial statements.

10. SHORT TERM FUNDS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial assets at fair value through profit or loss				
Short term funds	33,773,787	4,866,297	27,943,416	-

(a) Short term funds held by the Group are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.

(b) Short term funds are denominated in Ringgit Malaysia ("RM").

(c) Information on financial risks of short term funds is disclosed in Note 28 to the financial statements.

11. CASH AND BANK BALANCES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	388,668	638,821	100,904	20

(a) Bank balances are deposits held at call with licensed banks.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	388,668	638,821	100,904	20
Short term funds (Note 10)	33,773,787	4,866,297	27,943,416	-
	34,162,455	5,505,118	28,044,320	20

(d) Information on financial risks of cash and bank balances are disclosed in Note 28 to the financial statements.

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12. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares	RM	Number of shares	RM
Authorised				
Ordinary shares of RM1.00 each:				
As at date of incorporation,17 December 2013	-	-	400,000	400,000
Sub-divided at RM0.10 each	-	-	3,600,000	-
	-	-	4,000,000	400,000
Ordinary shares of RM0.10 each:				
As at 1 January	500,000,000	50,000,000	-	-
Created during the financial period	-	-	496,000,000	49,600,000
As at 31 December	500,000,000	50,000,000	500,000,000	50,000,000
Issued and fully paid				
Ordinary shares of RM1.00 each:				
As date of incorporation, 17 December 2013	-	-	2	2
Issued during the financial period	-	-	18	18
Sub-divided at RM0.10 each	-	-	180	-
	-	-	200	20
Ordinary shares of RM0.10 each:				
As at 1 January	148,533,000	14,853,300	-	-
Issued during the financial year	51,467,000	5,146,700	148,532,800	14,853,280
As at 31 December	200,000,000	20,000,000	148,533,000	14,853,300

(a) During the financial year, the issued and paid-up share capital of the Company was increased from RM14,853,300 to RM20,000,000 by way of issuance 51,467,000 new ordinary shares of RM0.10 each at issue price of RM0.38 per ordinary share for cash pursuant to Initial Public Offering ("IPO").

(b) In the previous financial period, the Company :

(i) increased its paid-up share capital from RM2 to RM20 by way of issuance of 18 ordinary shares of RM1.00 each.

12. SHARE CAPITAL *cont'd*

(b) In the previous financial period, the Company : *cont'd*

(ii) implemented and completed subdivision of every one (1) ordinary share of RM1.00 each into 10 sub-divided shares of RM0.10 each. Accordingly, the authorised share capital of RM400,000 is sub-divided from 400,000 ordinary shares of RM1.00 each to 4,000,000 ordinary shares of RM0.10 each by way of creation of 3,600,000 ordinary shares of RM0.10 each and the paid-up share capital of RM20 is sub-divided from 20 ordinary shares of RM1.00 each to 200 ordinary shares of RM0.10 each by way of issuance of 180 ordinary shares of RM0.10 each.

(iii) increased its authorised share capital from RM400,000 to RM50,000,000 by way of creation of 496,000,000 ordinary shares of RM0.10 each.

(iv) increased its paid-up share capital from RM20 to RM14,853,300 by way of issuance of 148,532,800 ordinary shares of RM0.10 each for the acquisition of the entire equity interest in Idottv Sdn. Bhd. as explained in Note 8 to the financial statements.

(c) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

13. RESERVES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-distributable				
Share premium	14,005,304	-	14,005,304	-
Reorganisation debit	(853,280)	(853,280)	-	-
Distributable				
Retained earnings/(Accumulated losses)	7,170,773	7,323,405	5,535,646	(1,035,221)
	20,322,797	6,470,125	19,540,950	(1,035,221)

(a) The reorganisation debit arose from the acquisition of Idottv Sdn. Bhd. based on the difference between the amount recorded as cost of merger, which comprised the share capital issued by the Company of RM14,853,280, and the nominal value of Idottv Sdn. Bhd.'s share capital acquired under the pooling of interest method of accounting as follows:

	RM
Cost of merger	14,853,280
Less: Share capital of Idottv Sdn. Bhd.	(14,000,000)
Reorganisation debit	853,280

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14. BORROWING

	Group	
	2015	**2014**
	RM	**RM**
Current liabilities		
Term loan (secured)	71,115	-
Non-current liabilities		
Term loan (secured)	735,595	-
Total	806,710	-

(a) Term loan is secured by a charge over a Group's office building as disclosed in Note 7 to the financial statements. In addition, the term loan is guaranteed by the ultimate holding company.

(b) Term loan is repayable in 120 equal monthly installments commencing from 1 May 2015.

(c) Information on financial risks of borrowing is disclosed in Note 28 to the financial statements.

15. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2015	**2014**
	RM	**RM**
Balance as at 1 January	53,424	6,842
Recognised in profit or loss (Note 19)	34,508	46,582
Balance as at 31 December	87,932	53,424
Presenting after appropriate offsetting:		
Deferred tax asset	(42,500)	-
Deferred tax liabilities	130,432	53,424
	87,932	53,424

15. DEFERRED TAX LIABILITIES *cont'd*

(b) The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities	Property, plant and equipment RM	Other RM	Total RM
At 1 January 2015	31,077	22,347	53,424
Recognised in profit or loss	58,251	18,757	77,008
At 31 December 2015	89,328	41,104	130,432
At 1 January 2014	6,842	-	6,842
Recognised in profit or loss	24,235	22,347	46,582
At 31 December 2014	31,077	22,347	53,424

Deferred tax asset	Other RM	Total RM
At 1 January 2015	-	-
Recognised in profit or loss	(42,500)	(42,500)
At 31 December 2015	(42,500)	(42,500)

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables				
Amount owing to a related company	-	74,397	-	-
Other payables				
Other payables	145,565	18,060	35,855	-
Accruals	319,138	220,259	141,680	9,000
Amount owing to a subsidiary	-	-	1,208,709	1,026,221
	464,703	238,319	1,386,244	1,035,221
	464,703	312,716	1,386,244	1,035,221

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16. TRADE AND OTHER PAYABLES *cont'd*

(a) Trade payable are non-interest bearing and the normal trade credit terms granted to the Company ranged from 30 to 60 days (2014: 30 to 60) from the date of invoice.

(b) In the previous financial year, the trade amount owing to a related company was subject to normal credit terms of the Group.

(c) Amount owing to a subsidiary represents payment on behalf, which are unsecured, interest free and payable upon demand in cash and cash equivalents.

(d) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(e) Information on financial risks of trade and other payables are disclosed in Note 28 to the financial statements.

17. REVENUE

	Group		Company	
	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	RM	RM	RM	RM
Service rendered	8,704,131	11,483,017	-	-
Dividend income	-	-	9,800,000	-
	8,704,131	11,483,017	9,800,000	-

18. PROFIT/(LOSS) BEFORE TAX

		Group		Company	
		1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	Note	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remuneration:					
- Statutory audit					
- current year		98,000	57,000	40,000	4,000
- under provision in prior year		-	12,000	-	-
Deposits written off		-	7,350	-	-

18. PROFIT/(LOSS) BEFORE TAX *cont'd*

		Group		Company	
		1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	Note	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging *cont'd*:					
Depreciation of property, plant and equipment	7	741,768	326,089	-	-
Directors' remuneration:					
Paid/payable by the Company					
- fees		295,000	120,000	295,000	120,000
- other emoluments		18,000	-	18,000	-
Paid/payable by a subsidiary					
- fees		24,000	24,000	-	-
Impairment loss on other receivables	9	170,000	-	-	-
Interest expense on:					
- hire purchase liability		-	3,543	-	-
- term loan		30,278	-	-	-
Pre-IPO expenses		500,420	906,221	500,420	906,221
Loss on foreign exchange					
- realised		-	15,757	-	-
Rental of :					
- premises		20,970	20,970	-	-
- lease line		3,737	8,665	-	-
And crediting:					
Gain on disposal of:					
- a subsidiary	25	-	187,114	-	-
- property, plant and equipment		738	136,665	-	-
Gain on foreign exchange:					
- realised		151,948	-	-	-
- unrealised		164,415	89,386	-	-
Income distribution from short term funds		622,929	106,389	283,416	-
Interest income		855	-	855	-
Grant received from government		200,000	-	200,000	-

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group and the Company amounted to RM60,000 and RM60,000 (2014: Nil) respectively.

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19. TAXATION

	Group		Company	
	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	RM	RM	RM	RM
Current tax expense based on profit for the financial year				
- current year	147,714	142,857	-	-
- over provision in prior years	(720,503)	(12,250)	-	-
	(572,789)	130,607	-	-
Deferred tax (Note 15)				
- relating to origination and reversal of temporary differences	45,603	44,078	-	-
- (over)/under provision in prior years	(11,095)	2,504	-	-
	34,508	46,582	-	-
	(538,281)	177,189	-	-

(a) The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate will be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards. The computation of deferred tax as at 31 December 2015 has reflected these changes.

(b) The numerical reconciliations between the tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	RM	RM	RM	RM
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	327,272	1,658,835	2,142,717	(258,805)
Tax effects in respect of:				
Non-allowable expenses	708,660	393,684	428,351	258,805
Non-taxable income	(205,947)	(100,792)	(2,571,068)	-
Tax exempt income under pioneer status	(634,018)	(1,764,037)	-	-
Effect of change in tax rate	(2,650)	(755)	-	-
	193,317	186,935	-	-
(Over)/Under provision of tax expense in prior years			-	-
- current tax expense	(720,503)	(12,250)		
- deferred tax expense	(11,095)	2,504	-	-
	(538,281)	177,189	-	-

19. TAXATION *cont'd*

(c) A subsidiary of the Group has been awarded Multimedia Super Corridor ("MSC") Malaysia Status Company. Accordingly, MSC Malaysia qualifying activities of the subsidiary, 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.

20. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year after adjusting the public issue as disclosed in Note 12 to the financial statement.

	Group	
	2015	**2014**
Profit attributable to equity holders of the parent (RM)	1,847,368	6,458,150
Weighted average number of ordinary shares	174,760,019[(1)]	65,517,298[(2)]
Basic earnings per ordinary share (sen)	1	10

[(1)] *Based on ordinary shares held as at 31 December 2015 of 200,000,000, which translates to the effect of weighted average number of ordinary shares of 174,760,019.*

[(2)] *Based on ordinary shares held as at 31 December 2014 of 148,533,000, which translates the effect of weighted average number of ordinary shares of 65,517,298.*

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no potential dilutive equity instruments.

21. DIVIDEND PAYABLE

	Company	
	2015	
	Dividend per share	**Amount of dividend**
	Sen	**RM**
Interim single tier dividend declared in respect of the financial year ended 31 December 2015, paid on 29 February 2016	1	2,000,000

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22. OPERATING LEASE COMMITMENT

The Group had entered into non-cancellable lease agreements for rental of premises, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	Group	
	31.12.2015	**31.12.2014**
	RM	**RM**
Not later than one (1) year	20,970	20,970
Later than one (1) year and not later than five (5) years	-	20,970
	20,970	41,940

23. EMPLOYEE BENEFITS

	Group		Company	
	1.1.2015 to 31.12.2015	**1.1.2014 to 31.12.2014**	**1.1.2015 to 31.12.2015**	**17.12.2013 to 31.12.2014**
	RM	**RM**	**RM**	**RM**
Salaries and bonuses	3,239,002	1,982,914	152,400	-
Contributions to defined contribution plan	386,956	229,343	18,598	-
Other benefits	520,636	249,204	20,217	-
	4,146,594	2,461,461	191,215	-

24. OPERATING SEGMENTS

Sedania Innovator Berhad and its subsidiary are principally engaged in provision of airtime sharing services and investment holding company.

The Group has arrived at two (2) reportable segments that are organised and managed separately according to the nature of the operations, which require different business strategies. The reportable segments are summarised as follows:

(a) **Airtime sharing services**

Providing the technology on Airtime sharing for telecommunication providers.

(b) **Other operating segment**

Other operating segment comprises operations relating to investment holding.

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24. OPERATING SEGMENTS *cont'd*

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs and goodwill impairment, and also excluding the effects of share-based payments and retirement benefit obligations.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements.

Segment liabilities exclude tax liabilities and deferred tax. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

2015	**Airtime Services**	**Others**	**Total**
	RM	**RM**	**RM**
Revenue			
Total revenue	8,704,131	9,800,000	18,504,131
Inter-segment revenue	-	(9,800,000)	(9,800,000)
Revenue from external customers	**8,704,131**	**-**	**8,704,131**
Interest income	339,513	284,271	623,784
Interest expense	(30,278)	-	(30,278)
Net finance income	**309,235**	**284,271**	**593,506**
Segment operating profit before tax	**2,538,220**	**8,570,867**	**11,109,087**
Taxation	538,281	-	538,281
Other material non-cash items:			
- Depreciation of property, plant and equipment	(741,768)	-	(741,768)
- Impairment loss other receivables	(170,000)	-	(170,000)
Segment assets	**15,655,779**	**28,073,914**	**43,729,693**
Segment liabilities	**1,093,878**	**2,177,535**	**3,271,413**

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

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24. OPERATING SEGMENTS *cont'd*

2014	Airtime Services RM	Others RM	Total RM
Revenue			
Total revenue	11,483,017	-	11,483,017
Inter-segment revenue	-	-	-
Revenue from external customers	**11,483,017**	**-**	**11,483,017**
Interest income	106,389	-	106,389
Interest expense	(3,543)	-	(3,543)
Net finance income	**102,846**	**-**	**102,846**
Segment operating profit before tax/(loss)	**7,670,560**	**(1,035,221)**	**6,635,339**
Taxation	(177,189)	-	(177,189)
Other material non-cash items:			
- Depreciation of property, plant and equipment	(326,089)	-	(326,089)
- Gain on disposal of a subsidiary	(187,114)	-	(187,114)
Segment assets	**21,918,182**	**20**	**21,918,202**
Segment liabilities	**303,716**	**9,000**	**312,716**

(a) **Reconciliations**

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2015 RM	2014 RM
Revenue		
Total revenue for reportable segments	18,504,131	11,483,017
Elimination of inter-segment revenues	(9,800,000)	-
Revenue of the Group per consolidated statements of profit or loss and other comprehensive income	8,704,131	11,483,017
Profit for the financial year		
Total profit for reportable segments	11,109,087	6,635,339
Elimination of inter-segment profits	(9,800,000)	-
Profit before tax	1,309,087	6,635,339
Taxation	538,281	(177,189)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	1,847,368	6,458,150

24. OPERATING SEGMENTS *cont'd*

(a) Reconciliations *cont'd*

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows: *cont'd*

	2015 RM	2014 RM
Assets		
Assets of the Group per consolidated statement of financial position	43,729,693	21,918,202
Liabilities		
Total liabilities for reportable segments	3,271,413	312,716
Unallocated liabilities:		
- Current tax liabilities	47,551	228,637
- Deferred tax liabilities	87,932	53,424
Liabilities of the Group per consolidated statement of financial position	3,406,896	594,777

(b) Geographical information

The operations of the Group are carried out primarily in Malaysia and South East Asia (which include Bangladesh and Indonesia). In presenting information on the basis of geographical areas, segment revenue is based on the geographical location in which the customer resides.

Revenue from external customers	2015 RM	2014 RM
Malaysia	6,310,508	9,210,249
South East Asia other than Malaysia	2,393,623	2,272,768
	8,704,131	11,483,017
Non-current assets		
Malaysia	3,647,413	2,662,256
South East Asia other than Malaysia	721,206	-
	4,368,619	2,662,256

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
cont'd

24. OPERATING SEGMENTS *cont'd*

(c) Major customers

The following are major customers with revenue equal to or more than ten percent (10%) of Group revenue for current and prior years:

	Group	
	2015	**2014**
	RM	**RM**
Customer A	6,114,055	9,029,959
Customer B	2,365,358	2,272,768
	8,479,413	11,302,727

25. DISPOSAL OF A SUBSIDIARY

(a) In the previous year, the Group disposed of its entire equity interest in a subsidiary, Mobtivate Sdn. Bhd., a company incorporated in Malaysia for a cash consideration of RM232,770, for the cost of investment and settlement of amount owing by subsidiary.

The gain on disposal of the subsidiary recognised in the previous financial year was as follows:

	Group
	RM
Property, plant and equipment (Note 7)	5,558
Trade and other receivables	114,414
Amount owing by ultimate holding company	23,157
Cash and bank balances	18,255
Trade and other payables	(192,248)
Net liabilities	(30,864)
Add: Non-controlling interest	76,520
	45,656
Proceeds from disposal	232,770
Gain on disposal	187,114

25. DISPOSAL OF A SUBSIDIARY *cont'd*

(b) The effects of the disposal of the subsidiary were as follows:

	RM
Cash consideration for the subsidiary disposed	232,770
Less: Outstanding disposal consideration not received as at the end of the previous reporting period included in amount owing by ultimate holding company (Note 9)	(214,515)
Cash and bank balances in the subsidiary	(18,255)
Net cash inflow on disposal	-

26. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

Related parties of the Company include:

(i) subsidiary of the Company as disclosed in Note 8 to the financial statements;

(ii) direct and indirect subsidiaries of the ultimate holding company, Sedania Corporation Sdn. Bhd.:

(a) Clicks Network Sdn. Bhd.
(b) Trinini Media Sdn. Bhd.
(c) Localsimkad Sdn. Bhd.
(d) Quartalisha Sdn. Bhd.
(e) Sedania As Salam Capital Sdn. Bhd.
(f) Mobtivate Sdn. Bhd.

(iii) key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company either directly or indirectly. The key management personnel includes all the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
cont'd

26. RELATED PARTY DISCLOSURES *cont'd*

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	RM	RM	RM	RM
Transactions ultimate holding company:				
Payments on behalf	-	463,612	-	-
Transactions with a subsidiary:				
Payments on behalf	-	-	182,488	1,026,221
Dividend received	-	-	9,800,000	-
Transactions with a related company:				
Billings on behalf	-	844,776	-	-

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	1.1.2015 to 31.12.2015	1.1.2014 to 31.12.2014	1.1.2015 to 31.12.2015	17.12.2013 to 31.12.2014
	RM	RM	RM	RM
Short term employees benefits				
- Directors	339,000	144,000	315,000	120,000
- Key management personnel	716,460	187,000	152,400	-
Contribution to defined contribution plan	59,221	23,040	18,598	-
	1,114,681	354,040	485,998	120,000

27. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising return to its shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

There are no changes made on the capital management, policies and procedures of the Group and the Company during the financial period.

(b) Categories of financial instruments

31 December 2015

Group	**Loans and receivables**	**Fair value through profit or loss**	**Total**
	RM	**RM**	**RM**
Financial assets			
Trade and other receivables, excluding prepayments	5,120,179	-	5,120,179
Short term funds	-	33,773,787	33,773,787
Cash and bank balances	388,668	-	388,668
	5,508,847	33,773,787	39,282,634

	Other financial liabilities	**Total**
	RM	**RM**
Financial liabilities		
Trade and other payables	464,703	464,703
Borrowing	806,710	806,710
Dividend payable	2,000,000	2,000,000
	3,271,413	3,271,413

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(b) Categories of financial instruments *cont'd*

31 December 2015 **Company**	**Loans and receivables** **RM**	**Fair value through profit or loss** **RM**	**Total** **RM**
Financial assets			
Trade and other receivables, excluding prepayments	1,327	-	1,327
Short term funds	-	27,943,416	27,943,416
Cash and bank balances	100,904	-	100,904
	102,231	27,943,416	28,045,647

	Other financial liabilities **RM**	**Total** **RM**
Financial liabilities		
Trade and other payables	1,386,244	1,386,244
Dividend payable	2,000,000	2,000,000
	3,386,244	3,386,244

31 December 2014 **Group**	**Loans and receivables** **RM**	**Fair value through profit or loss** **RM**	**Total** **RM**
Financial assets			
Trade and other receivables, excluding prepayments	13,713,746	-	13,713,746
Short term funds	-	4,866,297	4,866,297
Cash and bank balances	638,821	-	638,821
	14,352,567	4,866,297	19,218,864

27. FINANCIAL INSTRUMENTS *cont'd*

(b) **Categories of financial instruments** *cont'd*

Group	Other financial liabilities RM	Total RM
Financial liabilities		
Trade and other payables	312,716	312,716
	312,716	312,716

31 December 2014 Company	Loans and receivables RM	Total RM
Financial assets		
Cash and bank balances	20	20
	20	20

	Other financial liabilities RM	Total RM
Financial liabilities		
Trade and other payables	1,035,221	1,035,221
	1,035,221	1,035,221

(c) **Methods and assumptions used to estimate fair value**

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables and trade and other payables are reasonable approximation of fair value either, due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the current position of borrowing is reasonable approximation of fair value due to the insignificant impact of discounting.

(ii) Term loan

The fair values of term loan are estimated by discounting expected future cash flows at market incremental lending rate for similar instruments at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

cont'd

27. FINANCIAL INSTRUMENTS *cont'd*

(c) Methods and assumptions used to estimate fair value *cont'd*

The fair values of financial assets and financial liabilities are determined as follows: *cont'd*

(iii) Short term funds

The fair values of short term funds in Malaysia are determined by reference to the counter parties quotes at the close of the business at the end of the reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(i) Short term funds

The fair values of short term funds in Malaysia are determined by reference to the counter parties quotes at the close of the business at the end of the reporting period.

(ii) Non-derivative financial liabilities

Fair values of non-derivative financial liabilities, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

27. FINANCIAL INSTRUMENTS *cont'd*

(d) Fair value hierarchy *cont'd*

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group										
31 December 2015										
Financial asset										
Fair value through profit or loss										
- Short term funds	-	33,773,787	-	33,773,787	-	-	-	-	33,773,787	33,773,787
Financial liabilities										
Other financial liabilities										
- Term loan	-	-	-	-	-	806,710	-	-	806,710	806,710
31 December 2014										
Financial asset										
Fair value through profit or loss										
- Short term funds	-	4,886,297	-	4,886,297	-	-	-	-	4,886,297	4,886,297

27. FINANCIAL INSTRUMENTS *cont'd*

(d) **Fair value hierarchy** *cont'd*

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company										
31 December 2015										
Financial asset										
Fair value through profit or loss										
- Short term funds	-	27,943,416	-	27,943,416	-	-	-	-	27,943,416	27,943,416

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for its shareholder whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risks, interest rate risk and foreign currency risk. Information on the management of the related exposures are detailed below.

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The Group trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 to 45 days. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the management.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of the financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 9 to the financial statements.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring their trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of each reporting period are as follows:

	2015		2014	
	RM	**% of total**	**RM**	**% of total**
By country				
Malaysia	2,652,962	56	3,786,473	72
Bangladesh	2,074,017	43	1,442,739	28
Indonesia	5,139	1	-	-
	4,732,118	100	5,229,212	100

At the end of the reporting period, concentration of credit risk arose from two (2) trade receivables amounting to RM4,660,234 (2014: two (2) trade receivables amounting to RM5,156,138), which represents 99% (2014: 99%) of trade receivables. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(a) Credit risk *cont'd*

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 9 to the financial statements. Bank balances and short term funds that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 to the financial statements.

(b) Liquidity and cash flow risks

Liquidity risk is the risk that the Group is unable to service its cash obligations in future. To mitigate this risk, the management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the liability of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 31 December 2015	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	464,703	-	-	464,703
Dividend payable	2,000,000	-	-	2,000,000
Borrowing	105,468	527,340	353,933	986,741
Total undiscounted financial liabilities	2,570,171	527,340	353,933	3,451,444
Company				
Financial liabilities				
Dividend payable	2,000,000	-	-	2,000,000
Trade and other payables	1,386,244	-	-	1,386,244
Total undiscounted financial liabilities	3,386,244	-	-	3,386,244

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity and cash flow risks *cont'd*

Analysis of financial instruments by remaining contractual maturities *cont'd*

The table below summarises the maturity profile of the liability of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations. *cont'd*

As at 31 December 2014	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	312,716	-	-	312,716
Total undiscounted financial liabilities	312,716	-	-	312,716
Company				
Financial liabilities				
Trade and other payables	1,035,221	-	-	1,035,221
Total undiscounted financial liabilities	1,035,221	-	-	1,035,221

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group will fluctuate because of changes in market interest rates.

The exposure of the Group to changes in interest rates relates primarily to the term loan of the Group. The Group does not use derivative financial instruments to hedge its risk but regularly reviews its debt portfolio to enable it to source low interest funding.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by thirty (30) basis points with all other variables held constant:

	Group	
	2015 RM	2014 RM
Profit after tax		
- Increased by 0.3% (2014: 0.3%)	1,815	-
- Decreased by 0.3% (2014: 0.3%)	(1,815)	-

The sensitivity is higher in 2015 than in 2014 because of an increase in outstanding term loan during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(c) Interest rate risk *cont'd*

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	Note	Weighted average effective interest rate	Within 1 year	1 - 2 Years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Total
		%	RM	RM	RM	RM	RM	RM	RM
2015									
Floating rate instrument									
Term loan	14	4.45	71,115	74,345	77,720	81,250	84,940	417,340	806,710

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures arise from sales to South Asia customers. These sales are priced in Ringgit Malaysia but invoiced in United States Dollar ("USD") and Indonesian Rupiah ("IDR").

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD and IDR exchange rates against the functional currencies of the Group, with all other variables held constant:

			2015 RM	2014 RM
Profit after tax				
USD/RM	-	strengthen by 3%	46,665	32,462
	-	weaken by 3%	(46,665)	(32,462)
IDR/RM	-	strengthen by 3%	116	-
	-	weaken by 3%	(116)	-

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 29 June 2015, the issued and paid-up share capital of the Company was increased from RM14,853,300 to RM20,000,000 by way of issuing 51,467,000 new ordinary shares of RM0.10 each at issued price of RM0.38 per ordinary shares for a total consideration of RM19,557,460 as part of Initial Public Offering ("IPO").

(b) On 30 September 2015, the Company proposed the establishment of an employees' share option scheme for the eligible Directors and employees of the Group of up to thirty percent (30%) of issued and paid up capital of the Company.

On 16 November 2015, the Company had submitted the letter of implementation to Bursa Malaysia Securities Berhad and pursuant thereto, the Proposed Employees' Share Option Scheme has been implemented effective 16 November 2015.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015
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30. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFIT OR LOSSES

The retained earnings as at the end of each reporting period may be analysed as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained earnings/(accumulated loss) of the Company and its subsidiary:				
- realised	7,094,290	7,287,543	5,535,646	(1,035,221)
- unrealised	76,483	35,862	-	-
	7,170,773	7,323,405	5,535,646	(1,035,221)
Less: Consolidation adjustments	-	-	-	-
Total retained earnings	7,170,773	7,323,405	5,535,646	(1,035,221)

LIST OF PROPERTIES
as at 31 December 2015

Registered owner	Location	Description and Existing Use	Built-Up Area (Sq. ft.)	Tenure	Approximate Age of Building (Years)	Net Book Value as at 31 December 2015 RM	Effective Year of Purchase
IDOTTV Sdn. Bhd.	Unit No. 10B Level 10 Kelana Parkview Tower Jalan SS 6/2 47301 Petaling Jaya, Selangor Darul Ehsan	A unit on the 10th floor of a thirteen (13) storey office building as our head office and for our business operations	5,080	Freehold	19	900,000	23 May 2011

ANALYSIS OF SHAREHOLDINGS
as at 11 March 2016

Authorised Capital	:	RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each
Issued and Fully Paid-Up Capital	:	RM20,000,000.00 comprising 200,000,000 ordinary shares of RM0.10 each
Class of Shares	:	Ordinary shares of RM0.10 each
Voting Rights	:	One (1) vote for each share held

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 11 MARCH 2016

Size of shareholdings	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	4	0.55	100	0.00
100 – 1,000	74	10.16	39,500	0.02
1,001 – 10,000	293	40.25	2,025,200	1.01
10,001 – 100,000	300	41.21	10,641,500	5.32
100,001 and above	57	7.83	187,293,700	93.65
TOTAL	728	100.000	200,000,000	100.0000

SUBSTANTIAL SHAREHOLDERS
AS 11 MARCH 2016

		No. of Shares Held			
No	Name	Direct	%	Indirect	%
1.	Sedania Corporation Sdn. Bhd.	100,076,440[(1)]	50.04	-	-
2.	Datuk Noor Azrin Bin Mohd Noor	8,886,560	4.44	100,076,440[(2)]	50.04
3.	MAM PE Asia Fund I (Labuan) LLP	25,000,000	12.50	-	-

Notes:

(1) 55,076,440 Shares is held under Kenanga Nominees (Tempatan) Sdn. Bhd. pledged securities account for Sedania Corporation Sdn. Bhd. ("SCSB").

(2) Deemed interested by virtue of his substantial interest in SCSB, pursuant to Section 6A of the Act.

DIRECTORS' SHAREHOLDINGS
AS AT 11 MARCH 2016

No	Name	Direct Interest	%	Indirect Interest	%
1.	Y. Bhg. Tan Sri Abdul Halim Bin Ali	100,000	0.05	-	-
2.	Datuk Noor Azrin Bin Mohd Noor	8,886,560	4.44	100,076,440[(1)]	50.04
3.	Noor Syafiroz Bin Mohd Noor	100,000	0.05	-	-
4.	Y. Bhg. Tan Sri Nuraizah Binti Abdul Hamid	100,000	0.05	-	-
5.	Datuk Syed Izuan Bin Syed Kamarulbahrin	100,000	0.05	-	-
6.	Koh Eu-Jin	-	-	-	-

Note :

(1) Deemed interested by virtue of his substantial interest in SCSB, pursuant to Section 6A of the Act.

ANALYSIS OF SHAREHOLDINGS
as at 11 March 2016
cont'd

THIRTY (30) LARGEST SHAREHOLDERS
AS AT 11 MARCH 2016

No.	Name	Holdings	% of Issued Capital
1.	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Sedania Corporation Sdn Bhd*	55,076,440	27.54
2.	Sedania Corporation Sdn Bhd	45,000,000	22.50
3.	Maybank Securities Nominees (Tempatan) Sdn Bhd *MAM DP Ltd For MAM PE Asia Fund I (Labuan) LLP*	25,000,000	12.50
4	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)*	9,999,900	4.99
5.	Noor Azrin Bin Mohd Noor	8,856,560	4.43
6.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt An For Phillip Capital Management Sdn Bhd (EPF)*	6,547,000	3.27
7.	Citigroup Nominees (Tempatan) Sdn Bhd *Universal Trustee (Malaysia) Berhad for CIMB Islamic Small Cap Fund*	6,000,000	3.00
8.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An For Citibank New York (Norges Bank 14)*	5,436,000	2.72
9.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt An For Phillip Capital Management Sdn Bhd*	3,502,800	1.75
10.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt An For Phillip Capital Management Sdn Bhd*	2,488,400	1.24
11.	Grup Buku Karangkraf Sdn. Bhd.	2,000,000	1.00
12.	Vida Partners Sdn. Bhd.	2,000,000	1.00
13.	Susan Chin Yok Kim	1,220,000	0.61
14.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt An For Phillip Capital Management Sdn Bhd*	1,155,300	0.58
15	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Ng Siew Chee*	1,000,000	0.50
16.	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tay Moy Koh (Segamat-CL)*	881,700	0.44
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account Teh Bee Suan (TEH1101C)*	800,000	0.40
18.	Ng Siew Chee	791,000	0.40
19.	CIMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For See Chin Siew (Segamat-CL)*	708,100	0.35
20.	CIMB Group Nominees (Tempatan) Sdn Bhd *CIMB Commerce Trustee Berhad For Phillip Master Equity Growth Fund (50144 TR01)*	577,000	0.29
21.	Malacca Equity Nominees (Tempatan) Sdn Bhd *Exempt An For Phillip Capital Management Sdn Bhd (EPF)*	484,400	0.24
22.	Nor Ashikin Binti Khamis	439,000	0.22
23.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Tan Eng Nam (CEB)*	425,000	0.21

ANALYSIS OF SHAREHOLDINGS
as at 11 March 2016
cont'd

THIRTY (30) LARGEST SHAREHOLDERS *cont'd*
AS AT 11 MARCH 2016

No.	Name	Holdings	% of Issued Capital
24.	Mansor Bin Musa	381,400	0.19
25.	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank For Ang Kok Seong (M55015)*	366,300	0.18
26.	Zulhisham Bin Ayob	333,000	0.17
27.	Lim Soo Hoon	310,000	0.16
28.	Boo Kar Hoon	300,000	0.15
29.	Jennifer Lee Siew Foong	300,000	0.15
30.	Soh Koi Ke	275,000	0.14
	Total	**182,654,300**	**91.32**

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting (AGM) of Sedania Innovator Berhad ("the Company") will be held at Dewan Presiden, Kelab Golf Negara Subang, Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 10th day of May, 2016 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon. — Please refer to Explanatory Notes A

2. To approve the payment of Directors' fees of RM 295,000.00 in respect of the financial year ended 31 December 2015. — Resolution 1

3. To re-elect Datuk Noor Azrin Bin Mohd Noor, who retires in accordance to Article 95 of the Company's Articles of Association, and being eligible, offer himself for re-election. — Resolution 2

4. To consider and, if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(2) of the Companies Act, 1965:-

   "THAT the following Directors who are retire pursuant to Section 129(2) of the Companies Act, 1965, be and are hereby re-appointed as Directors of the Company pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting of the Company:-

   (i) Tan Sri Abdul Halim Bin Ali; and — Resolution 3
   (ii) Tan Sri Nuraizah Binti Abdul Hamid — Resolution 4

5. To re-appoint Messrs. BDO as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. — Resolution 5

SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution as Ordinary Resolution.

   Ordinary Resolution

   Authority to Issue and Allot Shares in the Company pursuant to Section 132D of the Companies Act, 1965 ("the Act") — Resolution 6 (Explanatory Notes B)

   "THAT pursuant to Section 132D of the Act, and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

NOTICE OF THE SECOND ANNUAL GENERAL MEETING
cont'd

ANY OTHER BUSINESS

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

SHAHNIZA ANOM BINTI ELIAS (LS 0006472)
TIA HWEI PING (MAICSA 7057636)
Company Secretaries
Selangor Darul Ehsan
18 April 2016

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than (2) proxies to attend, vote and speak in his stead at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

2. Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy shall be signed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited at Share Registrar's Office, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the date and time set for holding the meeting or any adjournment thereof.

7. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 29 April 2016 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

EXPLANATORY NOTES A:

The Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members and hence is not put for voting.

EXPLANATORY NOTES B:

The proposed Ordinary Resolution No. 6, if passed, would, subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, enable the Directors to allot and issue up to a maximum of ten percent (10%) of the total issued and paid-up share capital of the Company at the date of such issuance for such purpose as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting (AGM) of the Company.

The mandate will enable the Directors to take swift action in case of a need for corporate exercise or fund raising activities or in the event business opportunities arise which involve the issuance of new shares and to avoid delay and cost in convening general meetings to approve such issuance of shares. The proceeds raised from the corporate exercises or fund raising activities will be utilized for funding future investment projects, working capital and/or acquisitions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

1. **Details of individuals who are standing for election as Directors**

   No individual is seeking election as a Director at the forthcoming Second Annual General Meeting of the Company ("2nd AGM").

2. **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

   Details of the general mandate to issue securities in the Company pursuant to Section 132D of the Companies Act, 1965 are set out in Explanatory Notes B of the Notice of 2nd AGM.

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SEDANIA INNOVATOR BERHAD
(Company No.: 1074350-A)

Total number of ordinary shares held	
CDS Account No.	

PROXY FORM

I/We ______________________________

NRIC/Company No. ______________________________

of ______________________________

being a member of the Company, hereby appoint ______________________________

NRIC No./Passport No. ______________________________

of ______________________________

or failing whom, ______________________________

NRIC No./Passport No. ______________________________

of ______________________________

or failing him/her *the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Second Annual General Meeting of the Company to be held at Dewan Presiden, Kelab Golf Negara Subang, Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 10th day of May, 2016 at 10.00 a.m., or any adjournment thereof.

*** Please delete the words "the Chairman of the Meeting" if you wish to appoint some other person to be your proxy.**

My/our proxy is to vote as indicated below:

Resolution No.	Ordinary Business	For	Against
Resolution 1	Payment of Directors' fees of RM295,000.00 in respect of the financial year ended 31 December 2015.		
Resolution 2	Re-election of Datuk Noor Azrin Bin Mohd Noor as Director.		
Resolution 3	Re-election of Tan Sri Abdul Halim Bin Ali as Director.		
Resolution 4	Re-election of Tan Sri Nuraizah Binti Abdul Hamid as Director.		
Resolution 5	Re-appointment of Messrs BDO as Auditors of the Company and to authorise Directors to fix their remuneration.		
	Special Business		
Resolution 6	Authority for Directors to issue and allot shares in the Company pursuant to Section 132D of the Companies Act, 1965.		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this __________ day of ______________________ 2016

____

Signature/Common Seal of Shareholder

Contact No.: ______________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	**Percentage**
Proxy 1		
Proxy 2		
Total		**100%**

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than (2) proxies to attend, vote and speak in his stead at the same meeting. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act, shall not apply to the Company.
2. Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his/her shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy shall be signed by the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power of attorney or authority, shall be deposited at Share Registrar's Office, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, not less than forty-eight (48) hours before the date and time set for holding the meeting or any adjournment thereof.
7. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at 29 April 2016 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

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AFFIX
STAMP
HERE

SEDANIA INNOVATOR BERHAD (1074350-A)

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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SEDANIA INNOVATOR BERHAD
(Company No. 1074350-A)

Level 10, Kelana Parkview Tower, Jalan SS6/2,
47301 Petaling Jaya, Selangor, Malaysia

Website : www.sedaniainnovator.com