

EMPOWERING CONSUMERS THROUGH TECHNOLOGY



2017 ANNUAL REPORT

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SDN 0178

SEDANIA INSPIRES

Sedania Innovator Berhad ("Sedania Innovator") is a technology empowerment company. We believe in always putting the interest of consumers as a primary concern. Be it corporations or individuals, we help them embrace such technology as Financial Technology ("FinTech"), Green Technology ("GreenTech"), Internet of Things ("IoT"), Sharing Platform, and Big Data Analytics, in Malaysia and globally.

In our mission to grow regionally, we create, develop, package and aggregate specialised platforms, to allow customers to enjoy the technology seamlessly.

SEDANIA INNOVATES

Sedania Innovator is focused towards empowering corporations and consumers towards operational optimisation, realising their highest potential by harnessing the most appropriate and latest technologies, and emerging as leaders of their industries. To do so, we constantly and actively explore rapidly evolving technologies, so that we can secure the technologies that would empower everyone towards sustainability and a more exciting future.

Founded in 2013, Sedania Innovator is a Malaysia-based investment holding company. Its subsidiary, IDOTTV Sdn. Bhd. ("IDOTTV"), is the developer and operator of the proprietary Sharing Platform that allows mobile subscribers to request and transfer airtime credits to other prepaid subscribers.

On 20 July 2017, Sedania Innovator acquired 100% of Sedania As Salam Capital Sdn. Bhd. ("SASC"), which offers the As-Sidq™ platform as its core product, a Tawarruq commodity trading system that utilises prepaid telecommunication airtime credit as the traded commodity based on Shariah principles.

Built by an entrepreneur passionate about growth and ever on the lookout for the next BIG thing, Sedania Innovator business portfolio now encompasses:-

- FinTech
- GreenTech
- IoT
- Sharing Platform
- Big Data Analytics

SEDANIA DNA

SPIRIT

All endeavours begin with attaining **Passion**, harnessing positive energy towards maximising **Performance**

STRATEGY

Implementing **Ingenuity** in mapping out plans without compromising on quality, to ensure optimal results

STRENGTH

Realising your areas of strength, and leveraging upon the strengths of others for execution through **Collaboration**, achieving **Accountability** in the process

SPEED

Consistently ensuring sense of urgency to be ahead of the game, while upholding **Integrity** and **Compliance**

STAMINA

Persevere to stay ahead to achieve the end result, while retaining high sense of **Humility**

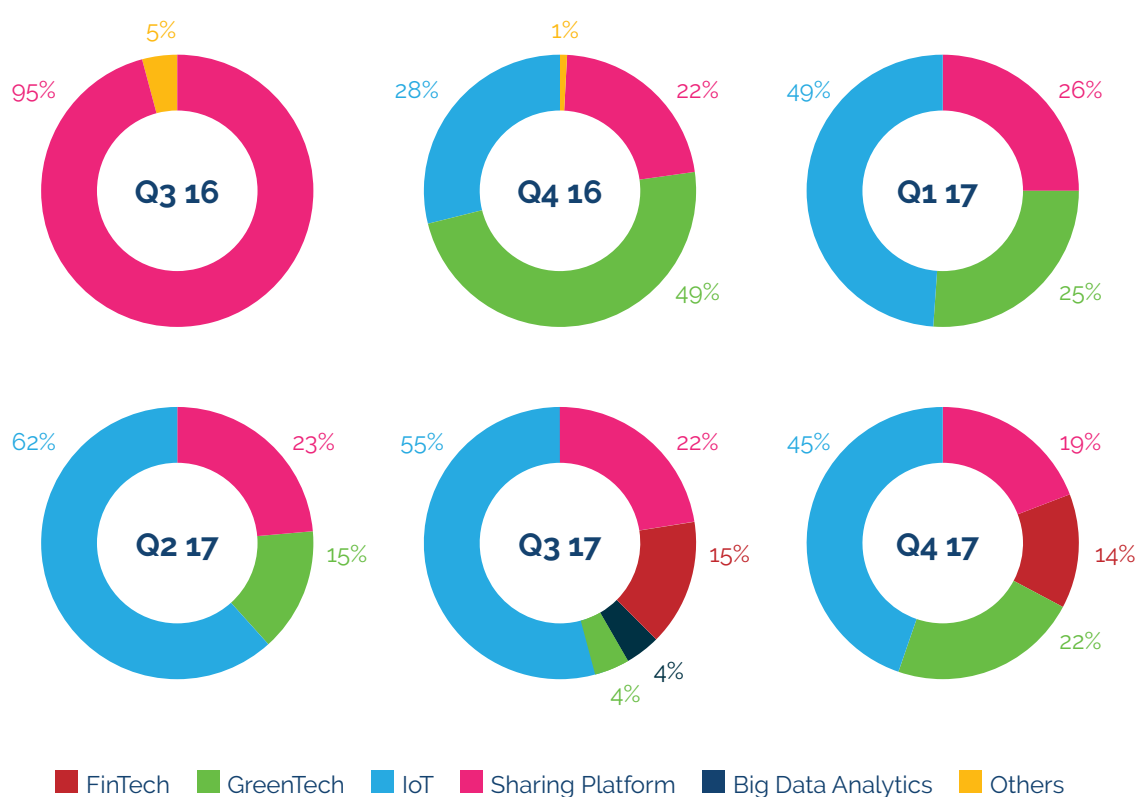
All of the above to always be practised alongside...

STYLE

Always be **Confident** in ourselves, **Professional** in our dressing and in carrying ourselves in the way we **Communicate** with each other, while being **Respectful** of others and of each other.

2017 was a turnaround year for Sedania Innovator Berhad ("Company") and its subsidiaries ("Group"). In previous years, our proprietary Airtime Sharing platform of Peer-to-Peer services (now known as "Sharing Platform") was the single revenue contributor. The decline of voice and SMS demand across the telecommunication industry resulted in a downward trend in 2016. Thus, we consciously decided to pivot into other technological business verticals to alleviate the impact.

Leveraging on the Group's strengths, potentials and operational excellence, the decision to pivot was also to ensure future sustainability. As a result, our ventures into Green Technology ("GreenTech") and Internet of Things ("IoT") solutions in late 2016 brought on multiple revenue streams, as reflected below. While we are still focused on bringing Sharing Platform into new frontiers, the Group now looks forward to build further, and create more revenue streams beyond existing verticals.



In 2016, we saw the potentials and opportunities available within Financial Technology ("FinTech"). We made a conscious decision to embrace FinTech as our beachhead and latest business vertical. This materialised through the Company's acquisition of the entire equity interest in Sedania As Salam Capital Sdn. Bhd. ("SASC") in July 2017. The journey into FinTech, which is rapidly transforming the financial services landscape in Malaysia and regionally for better efficiencies and funding access, ensures a sustainable business growth over a longer term for us.

SASC operates As-Sidq™, a Tawarruq commodity trading system utilising telecommunication airtime credit as traded commodity, which also assists financial services institutions ("FSI") to market, identify and approve Islamic Financing. Despite it being the latest vertical in the Group, FinTech is set to expand more encouragingly through strategic partnerships. As-Sidq™ will be offered as an application programming interface ("API") alongside other APIs, in middleware solutions aimed at helping traditional banks and FSIs digitalise their services and offerings.

Notes:-

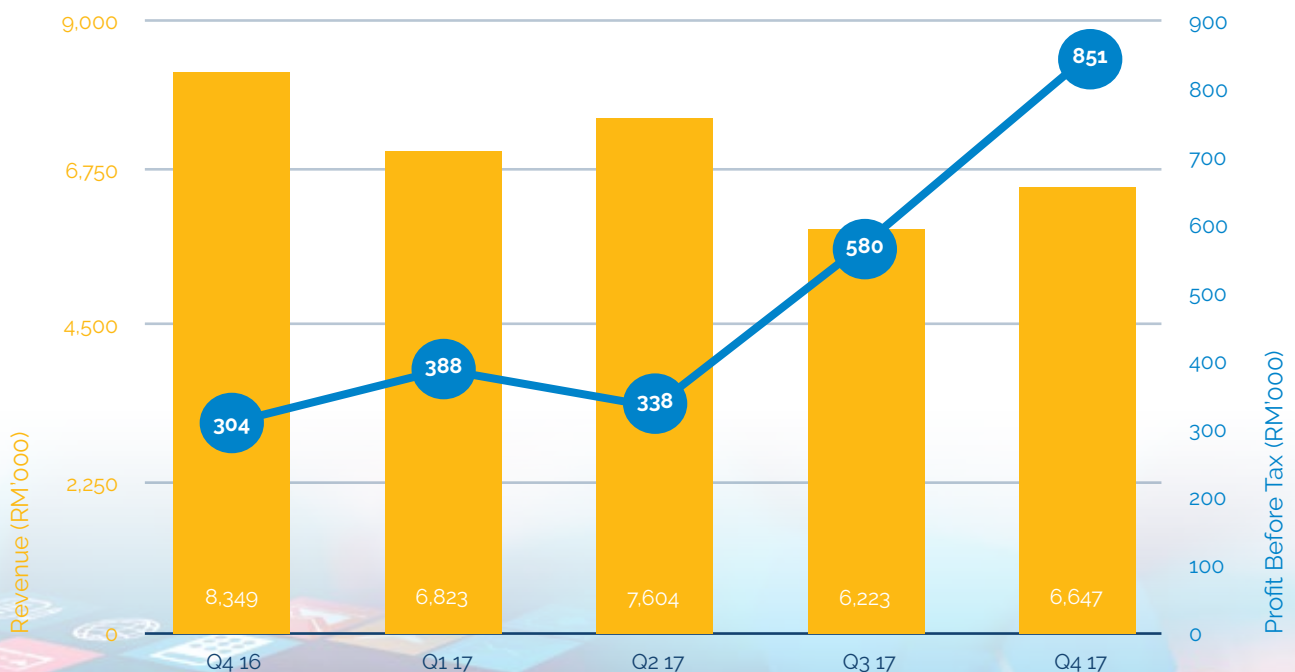
The above charts were prepared based on total revenue breakdown as announced by the Company in the quarterly result announcements and have not been restated to comply with the statutory audited financial statements.

With Big Data Analytics ("BDA"), we discovered a niche in Human Capital Psychometric Profiling Analytics. We are now able to offer a solution to assist corporations gather vital information about employees and potential joiners, inside and outside of work, to place them in the most appropriate jobs and positions, helping corporations achieve optimal efficiency in work productivity and placement success.

To date, our Group has five (5) reportable verticals/strategic business segments, namely: FinTech, GreenTech, IoT, Sharing Platform and BDA. These strategic business segments offer different products and services and are managed distinctly, due to different technological requirements and marketing strategies. The five segments have different risk and reward profiles in the short-term perspective, though over a long-term perspective, the profiles are considered to be complementary.



The decision to pivot into new verticals has resulted in our first positive quarter in Q4 2016. It has also enabled us to attain sustainable revenue growth, and achieve five (5) consecutive profitable quarters, as reflected below. Embracing FinTech as our beachhead, and the significant contribution by IoT, has enabled our Group to end 2017 with a complete turnaround.



**Y. BHG. TAN SRI ABDUL HALIM
BIN ALI**

Senior Independent
Non-Executive Chairman
Malaysian, 74 years old, Male



Y. Bhg. Tan Sri Abdul Halim Bin Ali 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, as well as, the Audit & Risk Management Committee.

In 1965, he graduated from University of Malaya, with a Bachelor of Arts (Honours) in History, and to-date, has more than fifty (50) 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 Malaysia's 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 1992 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 1996, 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 Malaysia Building Society Berhad, IJM Corporation Berhad, Universiti Teknologi Malaysia, as well as, Asian Finance Bank Berhad.

Y.Bhg. Tan Sri Abdul Halim has no family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no conviction of any offences within the past five (5) years.

Y.Bhg. Tan Sri Abdul Halim attended all seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

**Y. BHG. DATUK NOOR AZRIN
BIN MOHD NOOR**

Managing Director

Malaysian, 48 years old, Male



Y. Bhg. Datuk Noor Azrin Bin Mohd Noor was appointed to the Board as the Managing Director on 25 July 2014.

He is the founder of the Group and has more than twenty-four (24) years of working experience, with nineteen (19) years in media and telecommunication industry and the remainder in legal and corporate banking.

He graduated with a Bachelor of Law (Honours) from University of Wolverhampton, United Kingdom in 1994. He started his career at HMJ Shaharom & KS Wee in 1992 as a legal executive. In 1993, he joined D&C Bank (now known as RHB Bank Berhad) as Corporate Banking Officer.

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, among others the "English Premier League", "Italian Serie A", "FIFA World Cup" and the "UEFA Champions League", 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, Y. Bhg. Datuk Noor Azrin established IDOTTV Sdn. Bhd., now a wholly owned subsidiary of Sedania Innovator Berhad, through which he spearheads the development and implementation of next-generation products and services.

In 2015, Y. Bhg. Datuk Noor Azrin was appointed as an Advisor Commissioner of the Malaysian Communications and Multimedia Council ("MCMC"), where he played a key role in forming national policies to champion the interests of mobile users, and actively engaged with telecommunications players to push their sector forward.

Y. Bhg. Datuk Noor Azrin's outstanding achievements have earned him numerous accolades from notable bodies. His accomplishments have been recognised through the bestowment of various awards, including Top Nominee in the Master Category by Ernst & Young Entrepreneur of the Year ("EOY") 2011, Winner of the Technology Sector by Global Leadership Awards 2012, Winner of the Best Brands in ICT-Content & Media by The BrandLaureate SME BestBrands Awards 2012, Winner of the Outstanding Entrepreneur Category by Asia Pacific Entrepreneurship Awards (APEA) 2014, Masterclass Excellence Award for Bumiputera Entrepreneur of the Year by Utusan Business Awards 2015, and Most Promising Entrepreneur of the Year by Global Leadership Awards 2016.

His vast experience, coupled with his desire to inspire and shape the mindsets of the current and next generations, has led him to publish three books: the first of them 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". At the same time, Y. Bhg. Datuk Noor Azrin believes in giving back to the community and enhancing the wellbeing of the needy. To this end, he founded Yayasan Rosni Noor, a charitable organisation that undertakes various initiatives toward alleviating the needs of the underprivileged.

Y. Bhg. Datuk Noor Azrin does not hold any directorship in any other public corporation.

Y. Bhg. Datuk Noor Azrin and Noor Syafiroz, the Executive Director of the Group are siblings. He has no conviction of any offences within the past five (5) years.

Y. Bhg. Datuk Noor Azrin attended all seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

**NOOR SYAFIROZ
BIN MOHD NOOR**

Executive Director

Malaysian, 41 years old, Male



Noor Syafiroz Bin Mohd Noor, Malaysian, aged 41, was appointed to the Board as the Executive Director on 25 July 2014.

In 1998, he graduated from La Trobe University, Australia with a Bachelor of Commerce. He has over four (4) years of audit and over fifteen (15) years in business management experience.

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 the business management group, where he was involved in acquiring content rights for Internet Protocol television ("IPTV") 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 does not hold any directorship in any other public corporation.

Noor Syafiroz and Y. Bhg. Datuk Noor Azrin, the Managing Director of the Group, are siblings. He has no conviction of any offences within the past five (5) years.

Noor Syafiroz attended all seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

**Y.BHG TAN SRI NURAIZAH
BINTI ABDUL HAMID**

Independent Non-Executive Director
Malaysian, 73 years old, Female



Y.Bhg. Tan Sri Nuraizah Binti Abdul Hamid 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, as well as, the Audit & Risk Management Committee.

In 1967, she graduated from University of Malaya with a Bachelor of Arts (Honours) majoring in History, 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-eight (38) 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, later as 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 reorganisation 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.

Y.Bhg. Tan Sri Nuraizah served as Pro-Chancellor, Universiti Teknologi MARA, Malaysia, from December 2010 to November 2016.

Y.Bhg. Tan Sri Nuraizah does not hold any directorship in any other public corporation.

Y.Bhg. Tan Sri Nuraizah has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. She has no conviction of any offences within the past five (5) years.

Y.Bhg. Tan Sri Nuraizah attended all seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

**Y. BHG. DATUK SYED IZUAN
BIN SYED KAMARULBAHRIN**

Independent Non-Executive Director
Malaysian, 48 years old, Male



Y. Bhg. Datuk Syed Izuan Bin Syed Kamarulbahrin 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, as well as, the Nomination Committee.

In 1992, he graduated from Emile Woolf College of Accountancy, London. He is a Fellow Member of the Association of Chartered Certified Accountants UK, a Member of the Malaysian Institute of Certified Public Accountants, as well as, Malaysian Institute of Accountants. He has over twenty-two (22) 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, he joined Kuwait Finance House (Malaysia) Berhad in 2007, 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 sectors of automotive, aviation, defense, engineering, as well as, construction & property, as the Financial Adviser to the Group's Executive Chairman.

Y. Bhg. Datuk Syed Izuan does not hold any directorship in any other public corporation.

Y. Bhg. Datuk Syed Izuan has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction of any offences within the past five (5) years.

Y. Bhg. Datuk Syed Izuan attended six (6) out of the seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

LAU KIN WAI

Independent Non-Executive Director

Malaysian, 41 years old, Male



Lau Kin Wai was appointed to the Board as an Independent Non-Executive Director on 16 November 2016.

Kin Wai received his MBA degree from the University of Oxford and a Bachelor of Engineering degree with first class Honours from the University of Manchester. He was also a faculty member and PhD candidate at the Imperial College London.

Kin Wai is a tech investor and entrepreneur with broad experience across Asia and Europe. Since founding his first company at the age of 23, he has since occupied himself with building companies across Internet media, software and biotechnology. He was named by the media as one of the youngest Managing Directors of a publicly traded firm in Southeast Asia, when he took his first company to a successful IPO at the age of 28.

He has to date founded half a dozen technology companies with four (4) of them being listed on major stock exchanges in the Asia Pacific region. More recently, he co-founded the Fatfish Internet Group ("Fatfish"), a Singapore-headquartered regional venture builder that focuses on building Internet businesses in Southeast Asia and Australia. Fatfish is among the first of its kind to be listed on the Australian Securities Exchange ("ASX"). Fatfish has recently set up presence in Sweden.

Kin Wai currently serves as the Chairman of iCandy Interactive Ltd ("ASX:ICI"), the first Southeast Asian smartphone game company to go public. He also sits on the Board of various public and private tech companies across the Southeast Asia region, e.g. Peterlabs Holdings Berhad, Lunch Actually Group and iFashion Group.

Kin Wai has no family relationship with any director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction of any offences within the past five (5) years.

Kin Wai attended five (5) out of the seven (7) Board Meetings of the Company for the financial year ended 31 December 2017.

**DANIEL BERND RUPPERT**

Chief Executive Officer
German, 41 years old, Male

Date of Appointment	09 January 2018
Years of Experience	17 Years
Field	Banking; and Retail
Business Ventures	Presto Group

Academic/Professional Qualification(s):-

- Bachelor in Computer Science from James Madison University, VA, USA (1995)
- Masters in Business Administration from the European Business School ("EBS") (1999)

Career

- Investment Banking Analyst, Jefferies Investment Banking, London
- Investment Banking Associate, Westlb Panmure Ltd.

Achievements/Awards

- Expanded multiple businesses into various markets
- Implemented purpose-built technological solutions for notable events in Malaysia
- Sound knowledge of business operations and expansion
- Established and grew Presto Group to annual turnover of RM30 million

**RIZALZIN HASHIM BIN MOHAMMED**

Chief Financial Officer of IDOTTV
Malaysian, 41 years old, Male

Date of Appointment	01 January 2007
Years of Experience	19 Years
Field	Hospitality & Services; Plantation; Manufacturing; Media; Engineering; and Telecommunications Services

Academic/Professional Qualification(s):-

- Bachelor of Business, majoring in Accounting from University of Technology Sydney, Australia (1998)
- Chartered Accountant with the Malaysian Institute of Accountants
- Certified Practising Accountant with CPA Australia

Career

- Accounts Executive, Perhentian Island Resort, Terengganu (1998)
- Assistant Manager of Finance and Administration, Inch Kenneth Kajang Rubber Public Limited Company (2000)
- Group Accountant, Sedania Corporation Sdn. Bhd. (2005)

Achievements/Awards

- Winner of Best CFO for Investor Relations - Micro Cap, The Investor Relations Award 2017 (Malaysian Investor Relations Association)



RAZAM BIN MOHAMMAD RASHID

Chief Technology Officer
Malaysian, 48 years old, Male

Date of Appointment	17 August 2017
Years of Experience	25 Years
Field	Technology-Mobile Solutions & Value-added Services
Business Ventures	Iridea Sdn. Bhd. (1999)

Academic/Professional Qualification(s):-

- Bachelor of Science in Engineering from the University of Evansville, Indiana, USA (1992)

Career

- Robotics Engineer, Motorola USA (1992)
- Head of Operation - ISP and Value Added Services, Celcom (2000)
- Vice President, Technology/CTO of AtlasONE Malaysia Sdn. Bhd. (2001)
- Chief Executive Officer, Iridea Sdn. Bhd. (2004)
- Member of the Board of Directors/Investor/Asia Pacific Business Development Director, Pryte Oy (2014)

Achievements/Awards

- Bullseye Award, Motorola (1992)
- Bronze Medal, National Productivity Centre, Malaysia (1992)
- Developer Challenge Winner, Celcom (2008)
- Winner of Creative VAS Solution, Indosat (2010)
- Successful exit from Pryte Oy (acquired by Facebook in 2014)
- Winner at The League of Extraordinary Developer's Challenge and Best Social Network Services, Celcom (2015)



AZTI DIAN FITRIYANTI BINTI AZMI

Chief Executive Officer of IDOTTV
Malaysian, 40 years old, Female

Date of Appointment	08 February 2013
Years of Experience	17 Years
Field	Education; Marketing; Media; and Telecommunications

Academic/Professional Qualification(s):-

- Bachelor of Business Administration (Honours) from University Putra Malaysia (2000)
- Master of Science (Human Resource Development) from University Putra Malaysia (2005)

Career

- Teacher's Assistant, Jakarta International School (1996)
- Marketing Executive, Bumi Sains Sdn. Bhd. (2001)
- Publication Manager, Biz Connexion (2002)
- Business Manager, IDOTTV (2008)
- Chief Operations Officer, PT Sedania (2011)

Achievements/Awards

- Developed the Sharing Platform, especially in enhancing Airtime Transfer and Airtime Request
- Broadened market beyond Malaysia and into Indonesia
- Managed and grew Sharing Platform for Malaysia's leading Telco providers
- Launched Mobile App version of Airtime Sharing Service


MOHD RIDZUAN ABDUL AZIZ

Chief Executive Officer of
Sedania As Salam Capital Sdn. Bhd.
Malaysian, 47 years old, Male

Date of Appointment	04 May 2017
Years of Experience	20 Years
Field	Finance - Regulatory; Compliance; and FinTech
Business Ventures	RHT Compliance Solutions (2013)

Academic/Professional Qualification(s):-

- Bachelor of Science in Economics, majoring in Accounting and Finance from University of Wales, Aberystwyth (1997)
- Master in Business Administration, International Islamic University Malaysia (2005)

Career

- Senior Market Examiner, Bursa Malaysia (1997)
- Senior Team Lead, Securities Commission (2001)
- Head of Compliance, Macquarie Capital Securities Malaysia (2005)
- Head of Monitoring and Surveillance for Asia Pacific, Nomura Securities (2009)
- Director/Co-founder, RHT Compliance Solutions (2013)

Achievements/Awards

- Provide business-oriented regulatory advice, solution and consultancy to financial service institutions regionally
- Teaches financial literacy/awareness to youths and students in tertiary education
- Led Sedania As Salam Capital Sdn. Bhd. to achieve Prominent Enterprise of The Year at Malaysia Fintech Awards 2018

Disclaimer:-

"All Key Management Personnel do not hold any directorship in any public corporation.

All Key Management Personnel have no family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company.

All Key Management Personnel have no conviction of any offences within the past five (5) years."

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Sedania Innovator Berhad ("Sedania Innovator") recognises its corporate social responsibility ("CSR") commitments, and embarks on various endeavours to enhance the wellbeing of all, based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders.

WE DEFINE CSR AS FOLLOWS:-

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and upholding the safety of people;
- Supporting human rights; and
- Engaging with, learning from, respecting and supporting the communities and cultures in which we operate.

At Sedania Innovator, the CSR principles outlined above are considered, supported and adopted in our operations, consistent with upholding the best interests of Sedania Innovator's stakeholders. We are constantly working towards demonstrating responsibility in our relationships with the world and communities, whether in business dealings or social undertakings.

The Board and Management intends to be role models by incorporating these CSR values into decision-making across all business activities, and will ensure that appropriate organisational structures and systems are in place to effectively identify, monitor and manage CSR issues to result in enhanced business performance.

OUR VALUES

Our CSR is based on values that reflect existing and emerging standards of CSR, which are as follows:-

1. Business Ethics and Transparency

We are committed to maintaining the highest standards of integrity and corporate governance practices in order to maintain excellence in our daily operations, and promote confidence in our management and governance systems. We will advise our business partners, customers and suppliers of our standard, and look forward to working with them to achieve consistency with our CSR values.

2. Human Rights

We strive to work within our scope of influence with government agencies and other governmental bodies to provide our support for human rights. In addition, we will always work towards building trust, delivering mutual advantage and demonstrating respect for human dignity in all relationships that we enter into, including respect for cultures, as well as, appreciation for customs and values of individuals and groups.

3. Stakeholder Relations

We are committed to timely and meaningful dialogues with all stakeholders, including shareholders, customers, employees, and regulators, in order to facilitate understanding of the Group's business direction and growth potential.

4. Environmental Protection & Safe Working Environment

We value the importance of environmental protection, pollution prevention, biodiversity, and also resource conservation, which are essential to a sustainable environment. To this end, we have purposefully ventured into a sustainability and green technology business since 2016, to play our role in reducing the nation's carbon footprint, while increasing energy efficiency. As at 31 December 2017, our green technology solution has been applied to a total number of 130 sites nationwide, some of which shall be maintained for the next five (5) years to ensure its continuous high working standards.

We shall continue to work with industry peers and suppliers, to identify technologies and processes that will help to reduce the nation's carbon footprint, in all of our products and services. We will further ensure that our partners understand and are also committed to the objectives for the betterment of all.

We are also committed in providing a safe and healthy working environment and will not compromise the welfare of our employees at any time. Our management and employees are responsible for and accountable to efforts contributing towards a safe working environment, including fostering "safety first" mindsets and operating in an environmentally responsible manner.

Reusing and recycling of office stationery and paper, as well as, switching off the lights and air conditioners when they are not in use, are among some of the energy conservation measures taken by Sedania Innovator within our offices.



Photo 01: Y. Bhg. Datuk Azrin Mohd Noor, Y. Bhg. Tan Sri Abdul Halim bin Ali together with other Members of the Board of Directors answering questions during 2016 Annual General Meeting.

Photo 02: An open meeting for the shareholders and stakeholders to share the company's thoughts, direction and vision, while sharing ideas and even concerns directly to the Company's top management.

Photo 03: Rizalzin Hashim Bin Mohammed (CFO) receiving the Best CFO for Investor Relations - Micro Cap, The Investor Relations Award 2017.

5. Employee Relations

The management of Sedania Innovator apply fair labour practices, while respecting the national laws of the country and communities where we operate. We treat our employees fairly and with dignity, and take into consideration their goals and aspirations while ensuring that diversity in the workplace is embraced. We believe in providing equal opportunity in all aspects of employment and will not tolerate unlawful workplace conducts, including discrimination, intimidation, or harassment at workplace.

We are committed to managing diversity from across multiple aspects (including age, gender, ethnicity, nationality, sexual orientation, cultural background or other personal factors) as a means of enhancing the Group's performance, by recognising and utilising the combination of diverse skills and talents from its directors, management and employees.

6. Community Development

We emphasise on building collaborative and consultative partnerships in our community investment programmes. We are working towards integrating community investment considerations and values into decision-making and business practices, and to also develop mutually beneficial relationships with communities in which the company operates.





Photo 04 & 05: Team Building Hiking Trip @ Bukit Batu Putih, Gopeng, Perak.

Photo 06 & 07: Sedania Innovator CNY Yee Sang Celebration @ YumCha Place Kelana Jaya.

Photo 08 - 12: Sedania Innovator in collaboration with Yayasan Rosni Noor ("YRN"), invited orphans and asnaf to join the 2017 Iftar ceremony @ Kelab Golf Negara Subang.

BOARD OF DIRECTORS

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

Y. Bhg. 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

Y. Bhg. Datuk Syed Izuan Bin Syed Kamarulbahrin
Independent Non-Executive Director

Lau Kin Wai
Independent Non-Executive Director

COMPANY SECRETARY

Tia Hwei Ping (MAICSA 7057636)

AUDIT & RISK MANAGEMENT COMMITTEE

Y. Bhg. 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

Y. Bhg. 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

Y. Bhg. Datuk Syed Izuan bin Syed Kamarulbahrin

PRINCIPAL BANKERS

RHB Islamic Bank Berhad

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

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SPONSOR

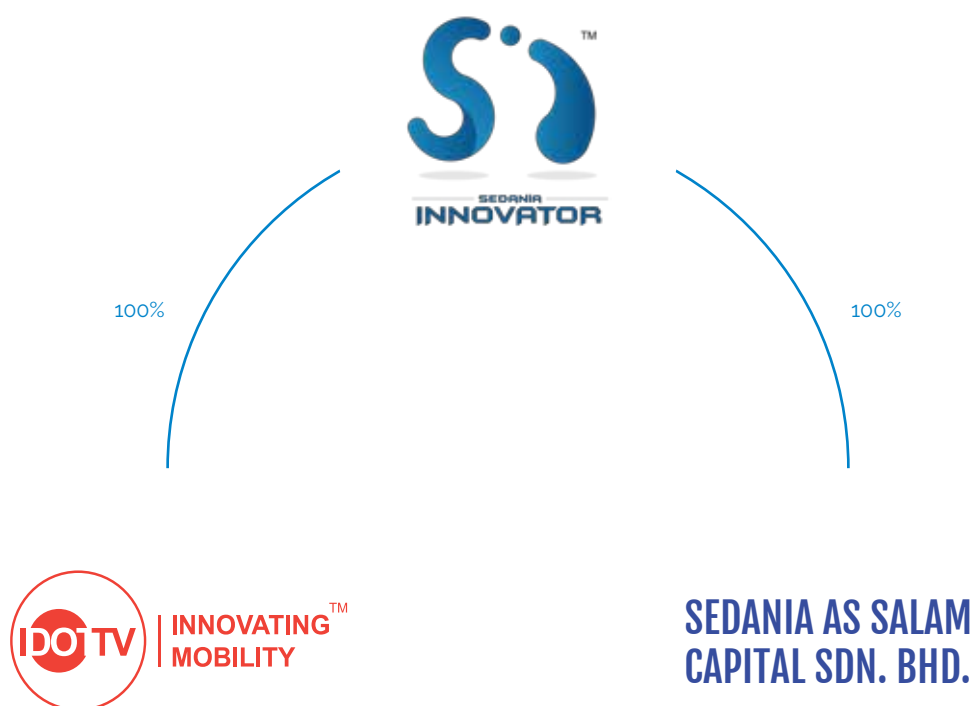
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59200 Kuala Lumpur
Tel No: (603) 2282 7308
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STOCK EXCHANGE LISTING

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

WEBSITE & EMAIL

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



IDOTV SDN. BHD.

Incorporated on 29 January 2004, in Malaysia

Issued share capital:-

RM 14,000,000.00

Principal activities:-

Telecommunications and Information Technology, which include multimedia products and all other related activities.

SEDANIA AS SALAM CAPITAL SDN. BHD.

Incorporated on 23 August 2005, in Malaysia

Issued share capital:-

RM 2,000,000.00

Principal activities:-

Business of Shariah compliant platform for personal Islamic banking, financial technology consultation, solution and platforms, general advertising agents and trading of telecommunication products.

ANNOUNCEMENT OF RESULTS

First Quarter	29 MAY 2017
Second Quarter	22 AUGUST 2017
Third Quarter	30 NOVEMBER 2017
Fourth Quarter	27 FEBRUARY 2018

ANNUAL GENERAL MEETING

15 MAY 2017

DIVIDEND

Announcement Date	21 FEBRUARY 2017
Record Date	25 APRIL 2017
Payment Date	11 MAY 2017

PERFORMANCE SUMMARY

Highlights of our Group's financial information for the past five (5) financial years:-

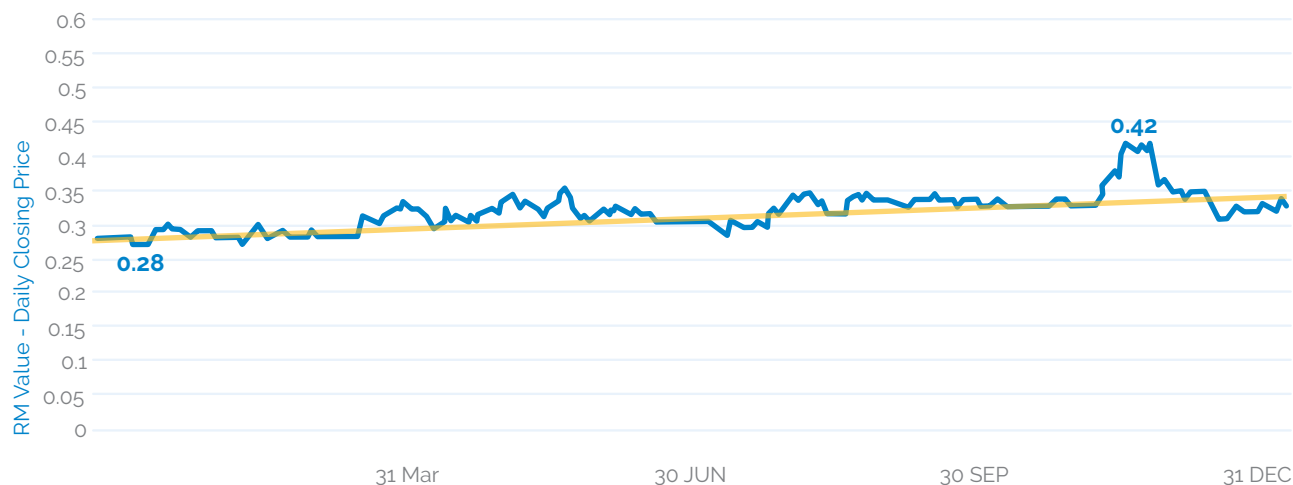
RESULTS	2013* RM'000	2014 RM'000	2015 RM'000	2016 Restated** RM'000	2017 RM'000
Revenue	10,118	11,483	8,704	17,553	27,297
Profit/(Loss) Before Taxation	6,848	6,635	1,309	(735)	2,157
Profit/(Loss) After Taxation	6,708	6,458	1,847	(1,002)	1,567
STATEMENT OF FINANCIAL POSITION	2013* RM'000	2014 RM'000	2015 RM'000	2016 Restated** RM'000	2017 RM'000
Total assets	15,789	21,918	43,730	40,224	43,224
Total shareholders' equity	14,789	21,323	40,323	25,163	32,729
Total liabilities	1,000	595	3,407	15,061	10,622
FINANCIAL STATISTICS	2013*	2014	2015	2016 Restated**	2017
PBT/(LBT) Margin (%)	67.68	57.78	15.04	(4.19)	7.90
PAT/(LAT) Margin (%)	66.30	56.24	21.22	(5.71)	5.74
Number of Shares (Units)	2,000,000	148,533,000	200,000,000	200,000,000	225,806,452
Basic Earnings Per Share (RM)	3.35	0.04	0.01	(0.01)	0.01

Notes:-

* 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.

** The results of SASC are included under the pooling of interest method of accounting adopted by the Group in respect of the reorganisation exercise, with prior period restated for comparative purposes.

Period:- 3 Jan 2017 to 29 Dec 2017



Year High:-
RM0.42 on 10 November 2017

Year End Close:-
RM0.33

Year Low:-
RM0.28 on 13 January 2017

Market Capitalisation As At 29 December 2017:-
RM74.5 Million

Highest Trading Volume:-
21,974,200 on 24 Mar 2017

SDN 0178

BUSINESS PERFORMANCE OVERVIEW

2017 was a key turnaround year, which witnessed Sedania Innovator Berhad ("Group") creating a growth-focused multi-segment business to realise our vision as a technology empowerment company.

Recognising technology's ever-evolving nature, we have made great inroads in providing products and services that address all aspects of the corporate information technology ("IT") environment — application, platform and infrastructure, that will shape the future through our value propositions in Green Technology ("GreenTech"), Internet of Things ("IoT"), Sharing Platform, and Big Data Analytics ("BDA").

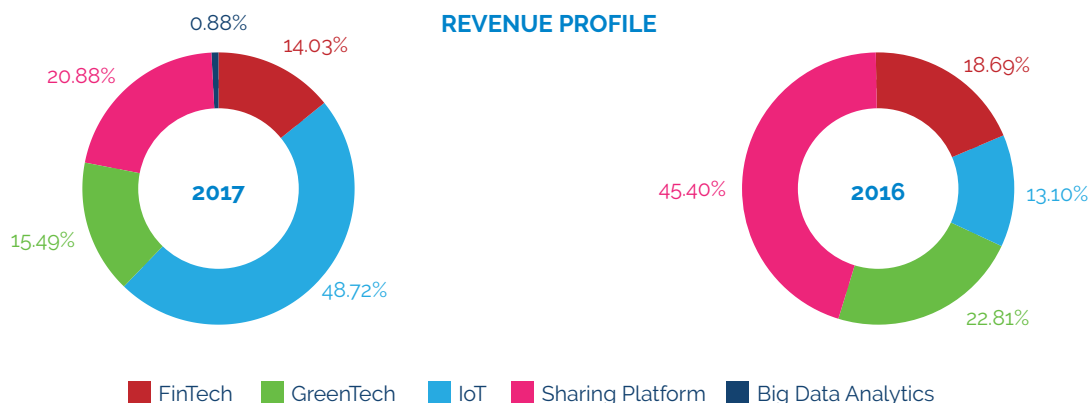
More importantly, we took steps to make Financial Technology ("FinTech") as the beachhead of the Group's growth endeavours.

Ahead of Malaysian banking sector's intent to focus on digitalisation, our Group has kick-started our involvement in the FinTech sector through the acquisition of Sedania As Salam Capital Sdn. Bhd. ("SASC") in July 2017. SASC operates the As-Sidq™ system, a FinTech platform for Islamic Finance that offers fully Shariah-compliant Tawarruq commodity trading.

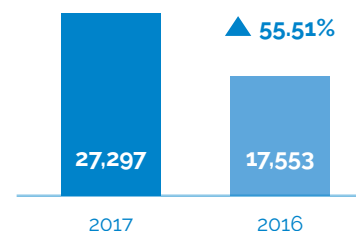
This strategic acquisition coupled with our core expertise in technology development has enabled the Group to shape the still-evolving FinTech sector and placing the Group in a strong position to become a disruptor in the financial disbursement sector in Malaysia, be it personal finance, business finance or digital platforms.

We are confident that through these strategic activities, and subsequent growth initiatives, we would enter into our growth phase and realise our vision, in supporting consumers and businesses in Malaysia and the region move into the digital age.

REVENUE



For the financial year ended ("FYE") 31 December 2017, our Group recorded revenue of RM27.3 million, which was RM 9.74 million or **55.51% higher** from the previous financial year. The Group's revenue increased primarily due to continuing contribution and new business secured in the FinTech, GreenTech and IoT segments, offset in part by a decline in our Sharing Platform segment. Further details are discussed in the Review of Operating Segment on page 28.



	FYE 2017 RM'000	Restated ⁽¹⁾ FYE 2016 RM'000	Change (+/-)
Revenue	27,297	17,553	+55.51%

⁽¹⁾: Prior period presented and discussed in this MDNA have been restated for the treatment of pooling of interest method of accounting adopted by our Group since SASC is under common control before and after the reorganisation exercise.

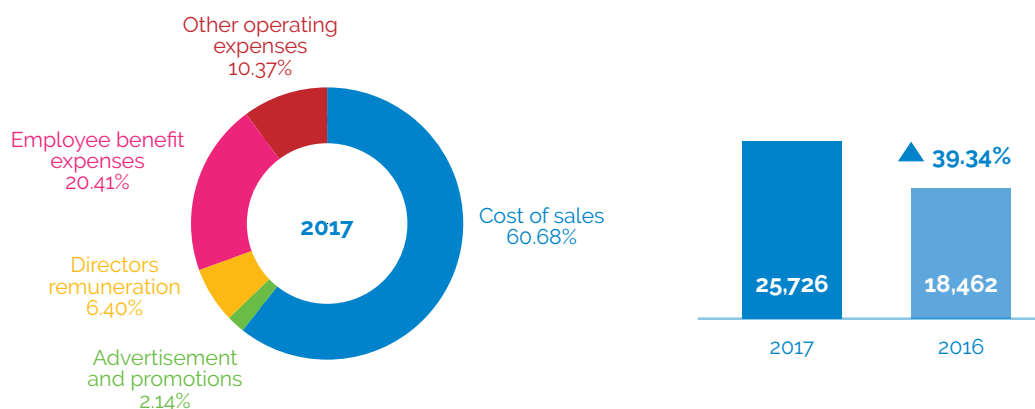
OTHER OPERATING INCOME

	FYE 2017 RM'000	Restated ^(a) FYE 2016 RM'000	Change (+/-)
Other operating income	1,771	1,297	+36.59%

Other operating income for the FYE 2017 was mainly attributable to income distribution received from short term funds, interest income from finance lease and government grants.

OPERATING EXPENSES

OPERATING EXPENSES PROFILE



	FYE 2017 RM'000	Restated ^(a) FYE 2016 RM'000	Change (+/-)
Cost of sales	15,611	5,941	+162.75%
Advertisement and promotions	551	1,170	-52.89%
Directors remuneration	1,646	1,513	+8.79%
Employee benefits expenses	5,250	5,955	-11.84%
Other operating expenses	2,668	3,883	-31.28%
Total operating expenses	25,726	18,462	+39.34%

Total operating expenses increased by 39.34% to RM25.73 million in FYE 2017, as compared to RM18.46 million in the prior year, mainly due to the following key drivers:-

1. Cost of sales increased more than 100% in FYE 2017 due to impact of direct costs from new business secured for the GreenTech and IoT solutions.
2. Directors remuneration increased marginally by 8.79% in the FYE 2017, which includes directors' fees, non-executive directors' meeting allowances, executive directors' salaries and contribution to defined contribution plans.

These factors were partly offset by:-

1. Lower advertising expenses and reduced promotion costs.
2. Lower employee benefit expenses resulting from headcount streamlining. Employee benefit expenses include salaries, wages, bonuses, allowances, defined contribution plan and related benefits.
3. Decreased other operating expenses as a result of disciplined management of our costs, compared to FYE 2016.

DEPRECIATION

	FYE 2017 RM'000	Restated ^(a) FYE 2016 RM'000	Change (+/-)
Depreciation	1,149	1,084	+5.94%

The amount of our depreciation in any year is affected by:-

- How much we invested in new property, plant and equipment, as well as, intangible assets in previous years
- How many assets we retired during the year

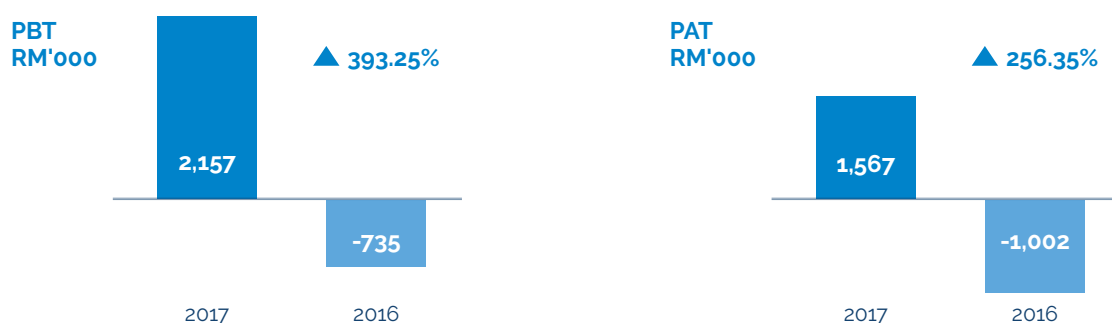
Depreciation in FYE 2017 increased by 5.94% compared to FYE 2016, due to higher net depreciable asset base, as the Group continue to invest in IT software assets, in particular for the FinTech segment.

FINANCE COSTS

	FYE 2017 RM'000	Restated ^(a) FYE 2016 RM'000	Change (+/-)
Finance costs	37	39	-6.15%

Finance costs decreased by 6.15% due to lower average debt level. Our Group's finance costs consist predominantly of interest on term loan, secured by a first legal charge against the Company's office premises and interest on a hire purchase creditor for a subsidiary's motor vehicle. The weighted average effective interest rate of borrowings of the Group is 4.45% (2016: 4.45%) per annum for term loan and 2.05% (2016: 2.05%) for hire purchase.

PROFIT/(LOSS) BEFORE TAX ("PBT"/"LBT") AND PROFIT/(LOSS) AFTER TAX ("PAT"/"LAT")



	FYE 2017 RM'000	Restated ^(a) FYE 2016 RM'000	Change (+/-)
Profit/(Loss) before tax	2,157	(735)	+393.25%
Taxation	(590)	(267)	+121.33%
Profit/(Loss) after tax	1,567	(1,002)	+256.35%

In the FYE 2017, the Group recorded PBT and PAT levels of RM2.16 million and RM1.57 million respectively, corresponding to an increase in growth of PBT and PAT for the FYE 2017, as compared to FYE 2016. The increase in Group's profitability was led by continued revenue growth from our FinTech, GreenTech and IoT businesses, together with disciplined management of our costs, as compared to FYE 2016. This was offset in part by the revenue decline in our Sharing Platform segment.

STATEMENTS OF FINANCIAL POSITION

	FYE 2017 RM'000	Restated ^[a] FYE 2016 RM'000	Change (+/-)
Total current assets	34,750	32,665	+6.38%
Total non-current assets	8,600	7,559	+13.78%
TOTAL ASSETS	43,350	40,224	+7.77%
Total current liabilities	9,917	14,229	-30.30%
Total non-current liabilities	705	833	-15.35%
TOTAL LIABILITIES	10,622	15,061	-29.48%
Total Shareholders' Equity	32,729	25,163	+30.07%
Total number of shares issued, '000	225,806	200,000	+12.90%
Net tangible assets per share (RM)	0.14	0.13	+15.21%

Assets

Total assets of the Group increased by 7.77%, from RM40.22 million in the FYE 2016, to RM43.35 million in the FYE 2017. This was largely contributed from increase in trade receivables in the Group, from RM8.41 million in FYE 2016, to RM15.40 million during the year, as disclosed in Note 8 of the Financial Statements.

Liabilities

Total liabilities of the Group were RM10.62 million, a decrease of 29.48% from the prior year.

The significant decrease in total current liabilities were the result of the reorganisation exercise undertaken by the Company, where the amount payable to Sedania Corporation Sdn. Bhd. amounting to RM12.0 million were restated in the FYE 2016. This amount was reduced in FYE 2017 by RM9.0 million, with the issuance of RM8.0 million worth of new ordinary shares, along with a cash payment of RM1.0 million. A security of RM3.0 million has been retained by the Company pursuant to the share sale agreement. Sedania Corporation Sdn. Bhd. has guaranteed and undertaken to the Company that the actual profit after tax of SASC for each of the financial years ended 31 December 2017 and 31 December 2018 shall not be less than RM1.5 million respectively.

This reduction was offset by an increase in trade and other payables amounting to RM4.90 million.

As at 31 December 2017, the Group had outstanding borrowings of approximately RM0.75 million (FYE 2016: RM0.83 million).

Shareholders' equity

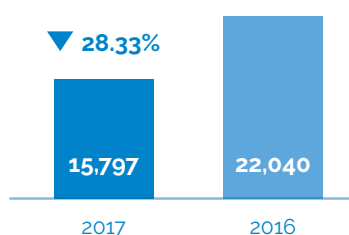
As at 31 December 2017, total equity attributable to owners of the Group was RM32.73 million, an increase of 30.07% as compared to RM25.16 million in the FYE 2016. During the financial year, the issued share capital of the Company increased from RM20 million to RM28 million, by way of issuance of 25,806,452 new ordinary shares at an issue price of RM0.31 each, pursuant to the acquisition of the entire equity interest in SASC.

With the introduction of the Companies Act 2016 effective 31 January 2017, the balance within the share premium account of RM14.0 million has been transferred to the share capital account, pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of the Companies Act 2016, for a transitional period of 24 months from 31 January 2017.

Net Tangible Assets ("NTA") per share

NTA per share as at 31 December 2017 was RM0.14, an increase of 15.21% from the NTA of RM0.13 per share in the prior year.

CASH FLOW

CASH & CASH EQUIVALENTS AT YEAR END
RM'000

Cash and cash equivalent of the Group decreased by 28.33% or RM6.24 million during the year, as compared to a decrease of RM12.40 million in FYE 2016, culminating from the following cash flow activities:-

Net cash used in	FYE 2017 RM'000	Restated ^[a] FYE 2016 RM'000	Change (+/-)
Operating activities	(3,499)	(7,138)	-50.98%
Investing activities	(610)	(1,127)	-45.85%
Financing activities	(2,134)	(4,125)	-48.27%
Decreased in cash & cash equivalents	(6,243)	(12,390)	-49.61%
CASH & CASH EQUIVALENT AT END OF FINANCIAL YEAR	15,797	22,040	-28.33%

The movements in cash and cash equivalents are due to the following:-

1. Our growth has been financed largely through cash generated from operations. The reduction of cash flow from operating activities in FYE 2017 was largely due to less cash generated from operations, as compared to FYE 2016, as a result of increase in trade and other receivables during the year.
2. Cash used in investing activities FYE 2017 has reduced due to lower capital expenditure during the year, offset by lower income distribution received from short term funds.
3. The reduction in financing activities was largely due to payment of two (2) interim dividends for FYE 2015 and FYE 2016 in the last financial year, as compared to one (1) interim dividend for FYE 2017 during the year.

The Group will continue to maintain a prudent approach towards managing its capital resources to ensure its adequacy in meeting operational requirements and capital expenditure from time to time.

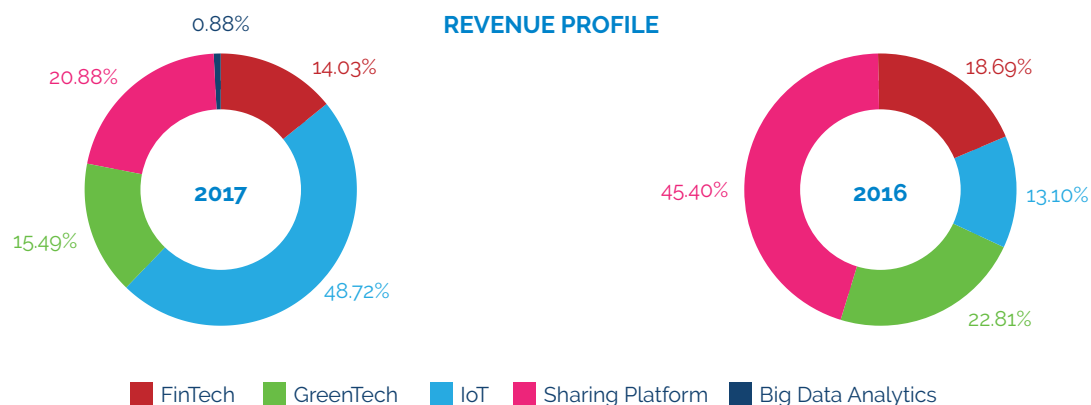
DIVIDEND

The Group has declared and paid a first interim single tier dividend of one (1) sen per ordinary share in respect of the FYE 2017. The first interim dividend was paid on 11 May 2017.

Despite declaring interim dividends every year for 2015, 2016 and 2017 respectively, our Group does not have any formal dividend policy. The declaration of interim dividends and the recommendation of any final dividends are subject to the discretion of our Board, and any final dividend proposed is subject to our shareholders' approval.

Our ability to pay future dividends to our shareholders is subject to various factors, including but are not limited to: our financial performance, cash flow requirements, availability of distributable reserves, and capital expenditure plans.

REVIEW OF OPERATING SEGMENTS



	FYE 2017 RM'000	Restated ^[a] FYE 2016 RM'000	Change (+/-)
SEGMENT REVENUE			
FinTech	3,829	3,280	+16.70%
IoT	13,300	2,300	+478.25%
GreenTech	4,228	4,004	+5.59%
Sharing Platform	5,701	7,969	-28.45%
Big Data Analytics	239	-	+100.00%
Others	-	-	0.00%
TOTAL REVENUE	27,297	17,553	+55.51%
SEGMENT OPERATING PROFIT/(LOSS) BEFORE TAX			
FinTech	1,941	1,135	+70.98%
IoT	1,532	350	+337.70%
GreenTech	675	618	+9.13%
Sharing Platform	501	(3,117)	-116.08%
Big Data Analytics	(951)	-	-
Others	(1,541)	279	-653.33%
OPERATING PROFIT/(LOSS) BEFORE TAX	2,157	(735)	-393.25%

1. FinTech

FinTech hit the ground running in 2017, increasing our customer base from twenty-two (22) financial services companies in Malaysia to forty-one (41) by end-2017, including financial institutions and cooperatives.

As a result, turnover and operating profit before tax in FYE 2017 improved by 16.70% and 70.98% respectively, as compared to FYE 2016.

2. IoT

Total revenue from IoT segment was RM13.30 million and segment operating profit before tax was RM1.53 million for FYE 2017, against segment revenue of RM2.30 million and RM0.35 million operating profit before tax in FYE 2016. Revenue from this segment were contributed from solutions for a fire safety system of RM12.2 million and an automated fare collection ("AFC") system of RM1.1 million.

By end of 2017, the Group has completed the delivery of 6,300 units of solutions that formed part of a fire safety system under Sistem Pengawasan Kebakaran Automatik ("SPKA") for Jabatan Bomba and Penyelamat Malaysia ("JBPM"). Likewise, the Group had also secured a contract for installation and integration of an AFC system for a transportation services provider.

3. GreenTech

The GreenTech segment revenue were up 5.59% compared to prior year, driven by increased client base for green technology solutions. Segment operating profit before tax for FYE 2017 was RM0.68 million, against segment operating profit of RM0.62 million in FYE 2016.

Revenue from this segment, in particular, provision of GreenTech solutions with Matrix Energy Sdn. Bhd., includes recognition of finance leases arrangement. Receivable from finance leases, in which the Group as lessor transfers substantially all the risks and rewards incidental to ownership to the customer, are recognised at an amount equal to the net investment in the lease. Finance income is subsequently recognised based on a pattern reflecting a constant periodic rate of return on the net investment using the effective interest method. During the year, the Group also conducted energy audit services for a client, administered under Sustainable Energy Development Authority ("SEDA").

4. Sharing Platform

Total revenue for the Sharing Platform segment in FYE 2017 decreased by 28.45% to RM5.70 million, as compared to RM7.97 million in FYE 2016. In FYE 2017, we processed 42,963,081 number of successful transactions, a 25.53% reduction in comparison to 57,695,601 number of successful transactions in FYE 2016. As a result, the segment recorded lower revenue in FYE 2017 mainly due to lower average number of transactions per day for Airtime Sharing. The segment continues to experience lower average number of transactions per day, as consumer spending for telecommunication credits are declining as a result of overall decline in prepaid market.

Nevertheless, the segment recorded an improved operating profit before tax in FYE 2017 of RM0.50 million, as compared to segment operating loss before tax of RM3.12 million in FYE 2016. Operating expenses incurred by the Group for this segment were significantly lower in FYE 2017, as compared to FYE 2016, as a result of cost rationalisation built around operational efficiency and optimisation of resources.

5. BDA

The revenue recorded for FYE 2017 was RM0.24 million, with segment operating loss before tax of RM0.95 million. This was in relation to a big data analytics training program provided for a client during the year.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

We are exposed to a variety of continually changing risks that have the potential to affect our business and financial condition. We have established policies and procedures for managing our business risks arising from our core business segments covering FinTech, GreenTech, IoT, Sharing Platform and BDA.

In general, particular attention was given to the following top and emerging risks:-

We are subject to the risk of non-collectability of our trade receivables

We are exposed to credit risk from operating activities, the maximum exposure of which is represented by the carrying amounts reported in the statements of financial position. We are exposed to credit risk if counterparties to our trade receivables are unable to meet their obligations. Non-collectability will adversely affect our cash flow, financial position, results of operations and business prospects.

We acknowledge the importance of sound credit control and seek to mitigate the risk, by monitoring the outstanding trade receivables of the Group and undertaking relevant measures to ensure our trade receivables are maintained at a manageable level at all times. We also continuously monitor our cash flow and maintain an action plan for any receivable beyond its credit term.

We are dependent on the performance of our strategic partners

Our provision of Sharing Platform solutions for a Mobile Network Operator ("MNO") in Bangladesh, GreenTech solutions and IoT solutions are in collaboration with independent partners. The revenue generated from our strategic partners in Malaysia and Bangladesh have contributed approximately 69.59% of the Group's total revenue in FYE 2017. We are dependent on these strategic partners to successfully maintain their business relationship with their respective clients, in order to secure and maintain our contracts for the provision of our solutions.

In the event that one or more relationship(s) of our strategic partners or our relationship with our strategic partner is terminated, curtailed or renewed on terms that may be unfavourable to the Group, our business, results of operations and financial conditions may be adversely affected. Also, the progress of project delivery for GreenTech and IoT are, in part, commensurable with the status and speed of site handovers to the project teams.

We endeavour to mitigate such risks by employing a number of measures, which include aligning the project/business to key performance indicators, and regularly monitoring our credit risk and exposure.

We are subject to operational and infrastructure risks

We are exposed to many operational risks that can have a significant impact. Such risks include the risk of fraud by employees or others, unauthorised transactions by employees, and operational or human error. Given the large volume of transactions we process on a daily basis for Sharing Platform and FinTech segments, certain errors may be repeated or compounded before they are discovered and rectified.

Shortcomings or failures of our internal processes, employees or systems, or of services and products provided by third parties, including any of our financial, accounting or other data processing systems, could lead to financial loss, and ultimately damage our reputation. In addition, despite the contingency plans we have in place, our ability to conduct business may be adversely affected by a disruption to the infrastructure that supports both our operations and the communities in which we do business, in particular Bangladesh, including but not limited to disruption caused by public health emergencies or terrorist acts.

The rapid evolution in the technology sector also renders us susceptible to the risk of obsolescence and irrelevancy with the emergence of breakthrough technologies and/or methodologies, which may erode our competitiveness in the sectors we operate in.

Within our Group, each operating segment is responsible for controlling its respective operational and infrastructure risks by assessing, managing and mitigating the risks arising from changes in business volumes and cost structures, among other factors.

We are exposed to fluctuations in exchange rates arising from our business in Bangladesh

Our Group's business dealings in Bangladesh are conducted in the local currency of Bangladesh, and payments to our Group are made in US Dollar ("USD"). As such any fluctuation in relation to local currencies of the countries we operate in will have an effect to the financial performance of our Group.

Introduction of new or changes to existing accounting estimates, accounting standards, regulations and laws

We prepare our financial statements in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the provision of Companies Act 2016. Changes to these standards that the International Accounting Standards Board and Malaysian Accounting Standards Board make from time to time, which govern the preparation of our financial statements, can be difficult to anticipate and may materially affect how we record and report our financial results. Significant accounting policies and future changes in accounting policies are discussed in Note 31 on page 116 of the financial statements.

The application of MFRS and IFRS requires Management to make significant judgments and estimates that can affect the dates on which certain assets, liabilities, revenues and expenses are recorded in our financial statements, as well as, their recorded values. In making these judgments and estimates, we rely on the best information available at the time. However, it is possible that circumstances may change or new information may become available.

Notwithstanding the above, we will take necessary actions to comply with any new standards, laws and regulations, and any changes to the existing standards, laws and regulations. However there is no assurance that in doing so, our operational and financial results would not be adversely affected.

TREND, OUTLOOK AND PROSPECT

FinTech

Industry research by Frost & Sullivan revealed that the Asia-Pacific FinTech solutions and services segment is projected to reach US\$72 billion in revenue by 2020, with a compound annual growth rate of 72.5%^[2].

With this remarkable growth, the age of banking digitalisation is truly upon us and we will see developments across the banking industry through the region, including a more mature application of FinTech solutions, greater use of digital payments, the opening up of banking, thanks to application programming interface ("API")-built architectures, the first significant progress with blockchain technology, as well as, harnessing of Artificial Intelligence ("AI") and Robotic Process Automation ("RPA") solutions.

On the domestic front, majority of Malaysian banks have signalled their intent to embed digital transformation for both customer value proposition and business model transformation, by extensively ramping up their capital expenditure for technology advancements to further accelerate their digital agenda for future growth, and to stay ahead in the current disruptive environment.

Our Group, via SASC, is positioned to shape the emerging direction of FinTech in Malaysia and the region through As-Sidq™, the leader in FinTech platform for Islamic Finance.

On 8 February 2018, SASC formalised a partnership with global digital banking leader, Crealogix Pte Ltd ("Crealogix"), to digitalise traditional financial institutions across the region, via middleware solution that allows for integrated API to be plugged into existing banking systems without costly and time-consuming migration.

These solutions are designed to form a reliable and scalable foundation on which banking clients can build, deploy, secure, access and integrate business applications, and automate their business processes. The reciprocal partnership will see As-Sidq™, Sedania's FinTech platform for Islamic Finance, be made available as a module to Crealogix's global client network of over 450 financial institutions, and likewise with Crealogix solutions to As-Sidq™'s existing financial institutions clientele.

^[2]: "Asia-Pacific FinTech Market to reach US\$72 billion by 2020", Frost & Sullivan, 8 February 2018

IoT

IoT is more than a buzzword, and according to International Data Corporation ("IDC"), worldwide spending on IoT is forecast to reach \$772.5 billion in 2018, an increase of 14.6% over the \$674 billion that will be spent in 2017 with a 14.4% compound annual growth rate ("CAGR"), which reflects the limitless potential of IoT^[3].

Malaysia is blessed to have favourable conditions for adoption of IoT, whereby 63.6% of Malaysians are Internet users^[4]. The IoT adoption potential in Malaysia is estimated by MIMOS Berhad ("MIMOS")^[5] to reach RM9.5 billion gross national income creation by 2020.

With IoT being one of the Group's key revenue drivers in 2017, we forecast our IoT service offerings to continue its growth in line with the supercharged growth witnessed globally, regionally and locally.

GreenTech

The current global emphasis on climate change and sustainable living has prompted significant moves, both by governments and the private sector to focus on the benefits of GreenTech.

In the current landscape, the Malaysian Government has identified GreenTech as a strategic engine for socio-economic growth in Malaysia, in line with the National Green Technology Policy 2009^[6]. With consumer mindsets shifting towards eco-friendliness and efficiency, there is a pressing need for all aspects of every major player in every industry sector to evolve and be committed towards meeting green and sustainable standards.

With ample market opportunities for growth in this segment, the Group will continue to look for compelling business opportunities that would enhance demand towards efficient management of energy resources.

Sharing Platform

Coming off a challenging year for the prepaid Telecommunications Company ("Telco") segment, due to changing consumer spending trends, the Sharing Platform sector is expected to see rationalisation, with Telco players providing consumers with more affordable internet products.

The Group will sustain our efforts to improve efficiencies and record better margins from Sharing Platform services, whilst continuing to look for new markets and strategic alliances for future growth.

BDA

Globally, the BDA market size is expected to grow to USD40.8 billion in 2018, from USD 7.6 billion^[7] in the previous year. Nationally, the growth potential of BDA has been identified by Malaysia Digital Economy Corporation ("MDEC"), which has planned to make Malaysia a Big Data Analytics hub in ASEAN by 2020.

For the year ahead, the Group is finding a niche positioning within the BDA offering specifically in Human Capital Psychometric Profiling Analytics, assisting corporations gather vital information about employees and potential joiners, inside and outside of work, to place them in the most appropriate jobs and positions, helping the corporation achieve optimal efficiency in work productivity and placement success.

^[3]: "IDC Forecasts Worldwide Spending on the Internet of Things to Reach \$772 Billion in 2018", International Data Corporation, 7 Dec 2017

^[4]: "Internet User Survey 2016, Statistical Brief Number 20", Suruhanjaya Komunikasi and Multimedia Malaysia

^[5]: "National IoT Strategic Roadmap", MIMOS Berhad & Kementerian Sains, Teknologi dan Inovasi, 2015

^[6]: "The National Green Technology Policy", Kementerian Tenaga, Teknologi Hijau dan Air, 2010

^[7]: "Big Data Market Revenue Forecast Worldwide 2011-2026", Statista Inc, July 2016

PROSPECTS

Global growth is estimated to continue its rise by 3.9% in 2018 according to the International Monetary Fund ("IMF")^[8], based on stronger financial position expected in developed and emerging economic regions, coupled with anticipated improvement in commodity pricing, favourable labour markets, and accelerated demand in general.

The optimistic growth projections in global economic activity are expected to have a spillover effect on the Asian region, with growth projected to increase by 6.5%, which is considered to be an upside growth surprise.

Correspondingly, Malaysia is set for a year of growth, fuelled by conducive global macroeconomic conditions and domestic demand, on the back of improvements in income levels and overall labour market conditions. Bank Negara Malaysia has opined GDP growth of between 5.5% and 6.0% in 2018^[9]. The digital economy has also been recognised as one of the nation's key drivers of growth, contributing 18.2% to Malaysia's gross domestic product this year, and expected to exceed the projected target of 20% before 2020.

That said, global activity might still be tempered by disorderly market movements such as abrupt tightening of global financing conditions, which may trigger financial turbulence by tipping the balance in corporate balance sheets. Escalating trade protectionism or higher geopolitical risks may also negatively impact overall confidence and economic activity.

For 2018 and beyond, the Group is confident in our future outlook, underpinned by recurring revenue streams of our multi-segment core businesses, spearheaded by the potentials of the FinTech segment. With this, the Group is excited to embark on our initiatives to grow our core businesses further, by collaborating with renowned experts and creating new strategic alliances, to develop and disrupt the technology space.

NOOR SYAFIROZ BIN MOHD NOOR

Executive Director
Sedania Innovator Berhad

^[8]: "World Economic Outlook Update, January 2018", International Monetary Fund, 22 January 2018

^[9]: "Taklimat Laporan Tahunan 2017 dan Laporan Kestabilan Kewangan dan Sistem Pembayaran 2017", Bank Negara Malaysia, March 2018

INTRODUCTION

The Board of Directors ("the Board") of Sedania Innovator Berhad ("the Company") and its subsidiaries ("the Group") are 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 interests of other stakeholders.

On 26th April 2017, the Securities Commission ("SC") released the new Malaysian Code on Corporate Governance 2017 ("MCCG 2017") or ("the Code") and superseded Malaysian Code on Corporate Governance, its earlier edition.

Consistent with the Board's commitment to corporate governance, the Company continuously review its governance framework and policies as they form the thrust for good corporate governance citizenship and sustainability of the Company's business.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1.0 ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE 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 caliber, 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 & 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.

1.1 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.

1.2 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 Statement" of this Annual Report.

1.3 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.

1.4 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 capacities 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 matters.

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.

1.5 COMPANY SECRETARY

The Board is supported by a suitable, qualified and competent Company Secretary who is responsible for providing support and guidance to the Board on issues relating to compliance with rules and regulations and relevant laws affecting the Company, as well as, the following matters:

- Preparing meeting agendas in consultation with the Chairman of the meeting and the Management;
- Organising and attending Board and Board Committees meetings and preparing the minutes thereof;
- Compiling and circulating Board and Board Committees meetings papers;
- Supporting the Board on adherence to Board Policies and Procedures;
- Advising the Board on corporate governance issues;
- Communicating with regulatory bodies and Bursa Malaysia Securities Berhad ("Bursa Securities");
- Attending to all statutory and other filings; and
- Facilitating the Board in conducting the annual Board Effectiveness Assessment.

All Directors have full access to the advice and services of the Company Secretary, and the Board decides her appointment and removal.

1.6 CODE OF ETHICS AND CONDUCT

The Board has formalised a Code of Ethics and Conduct for its Directors to promote an ethical framework, policies and conduct throughout the Group. The Code of Ethics and Conduct serves as guidance on the standard of behaviour expected of all Directors in the discharge of their duties and/or dealings with the Company to maintain high standards of business ethics and integrity.

All employees have been provided with the Code of Ethics and Conduct. As part of the enforcement process, all employees are required to declare that they will adhere to the provisions of the employees' Code of Ethics and Conduct.

The Code of Ethics and Conduct is published on the Company's website at www.sedaniainnovator.com.

The Group has a whistleblowing policy whereby all employees are encouraged to report genuine concerns or issues including but not limited to, reporting of fraudulent financial information, actual or suspected fraud, misappropriation of monies, misrepresentation, concealment of facts or information with the intention to mislead, violation of laws and regulations, endangerment of employees or public health and safety, violation of Company policies, taking or giving kickbacks, bribes, favours, privileges, criminal offences, blackmailing, amongst others.

Any employee who has reasonable belief that there is serious malpractice relating to the matter disclosed, may direct such complaint and report to the Chairman of the Audit & Risk Management Committee in writing. The Management will ensure that any employee of the Company who raises a genuine complaint in good faith shall not be penalised for such disclosure and the identity of such complainant shall be kept confidential.

The whistleblowing policy is published on the Company's website at www.sedaniainnovator.com.

2.0 STRENGTHEN COMPOSITION OF THE BOARD

2.1 BOARD COMPOSITION AND BALANCE

The current Board consists of six (6) members, comprising four (4) Independent Non-Executive Directors and two (2) Executive Directors. This composition fulfills the requirement as set out in paragraph 15.02 of the ACE Market Listing Requirements ("LR") of Bursa Securities, which stipulates that at least two (2) Directors or one-third ($\frac{1}{3}$) of the Board, whichever is higher, are independent directors.

The above composition meets the MCCG 2017 requirement whereby at least half of the Board comprises Independent Director.

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 caliber 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 the Annual Report as set out on pages 05 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.

An Independent Non-Executive Chairman leads the Board and he is also identified as the Senior Independent Non-Executive Director to whom concerns of the Group may be conveyed. The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance.

2.2 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 four (4) meetings during the financial year. The details of attendance are as follows:-

Members	Number of Meetings attended in 2017
Tan Sri Abdul Halim bin Ali	4/4
Tan Sri Nuraizah binti Abdul Hamid	4/4
Datuk Syed Izuan bin Syed Kamarulbahrin	4/4

During the financial year under review, the Nomination Committee held four (4) meetings on matters including the following:-

- reviewing and assessing the annual performance and effectiveness of the Board and the Board Committees as a whole;
- reviewing and assessing the annual independence assessment of the Independent Directors;
- reviewing and assessing the composition of the Board Committees;
- reviewing and assessing the performance and making recommendations to the Board regarding the Directors who are seeking for re-election at the Annual General Meeting; and
- overseeing the appointment succession planning and performance evaluation of the Top Management.

2.3 BOARD EVALUATION

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

The Board was satisfied with the performance and effectiveness of the Board and Board Committees who have discharged their duties and responsibilities effectively. The Board evaluation criteria were reviewed by the Nomination Committee during the financial year.

The Board evaluation comprises Board and Board Committees' 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 Committee were properly documented.

2.4 APPOINTMENT, RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's Constitution, 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.

The performance of those Directors, who are subject to 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 values 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.

2.5 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, retain 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 Term of Reference of Remuneration Committee is published on the Company's website at www.sedaniainnovator.com.

The Remuneration Committee held two (2) meetings during the financial year ended 31 December 2017. The details of attendance are as follows:-

Members	Number of Meetings attended in 2017
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 details of the Directors' remuneration comprising remuneration received from the Company and its subsidiaries in the financial year ended 31 December 2017 are as follows:-

COMPANY

	Fees RM	Salaries RM	Statutory Contributions RM	Meeting allowance RM	Benefits in-kind RM	Total RM
Executive Directors:						
Datuk Noor Azrin bin Mohd Noor	-	756,000	91,549	-	7,148	854,697
Noor Syafiroz bin Mohd Noor	-	415,200	50,652	-	7,148	473,000
Non-Executive Directors:						
Tan Sri Abdul Halim bin Ali	60,000	-	-	15,500	7,148	82,648
Tan Sri Nuraizah binti Abdul Hamid	30,000	-	-	16,500	7,148	53,648
Datuk Syed Izuan bin Syed Kamarulbahrin	30,000	-	-	15,500	7,148	52,648
Lau Kin Wai	30,000	-	-	8,500	7,149	45,649
Total	150,000	1,171,200	142,201	56,000	42,889	1,562,290

GROUP

	Fees RM	Salaries RM	Statutory Contributions RM	Meeting allowance RM	Benefits in-kind RM	Total RM
Executive Directors:						
Datuk Noor Azrin bin Mohd Noor	60,000	756,000	91,549	-	7,148	914,697
Noor Syafiroz bin Mohd Noor	-	415,200	50,652	-	7,148	473,000
Non-Executive Directors:						
Tan Sri Abdul Halim bin Ali	60,000	-	-	15,500	7,148	82,648
Tan Sri Nuraizah binti Abdul Hamid	30,000	-	-	16,500	7,148	53,648
Datuk Syed Izuan bin Syed Kamarulbahrin	30,000	-	-	15,500	7,148	52,648
Lau Kin Wai	30,000	-	-	8,500	7,149	45,649
Total	210,000	1,171,200	142,201	56,000	42,889	1,622,290

Senior Management's Remuneration

The Board feels that it is inappropriate to disclose the remuneration of Senior Management and has opted not to do so, in view of the competitive nature of the human resource market and to support the Company's efforts in attracting and retaining executive talents.

3.0 REINFORCE INDEPENDENCE OF THE BOARD

3.1 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 four (4) 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 2017, 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 Independent Director after serving beyond nine (9) years, shareholders' approval will be sought. If the Board continues to retain the Independent Director after twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process.

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.

Each Independent Directors has undertaken to notify the Board of any changes to the circumstances or development of any new interest or relationship that would affect their independence as an Independent Director of the Company.

3.2 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 clear and proper balance of power and authority. As such, the role of the Chairman and the Managing Director is separate. 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.

4.0 FOSTER COMMITMENT 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 Committees 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, Key Senior Management or external advisors are also invited to attend Board and Board Committees 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 seven (7) times to review the Group's operations, strategy and business plans, review and approve the quarterly financial results and annual financial statements and other matters requiring the Board's approval. All Directors complied with the minimum requirement of 50% attendance at board meetings as stipulated in the LR of Bursa Securities.

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	Number of Meetings attended in 2017
Tan Sri Abdul Halim bin Ali	7/7
Datuk Noor Azrin bin Mohd Noor	7/7
Tan Sri Nuraizah binti Abdul Hamid	7/7
Datuk Syed Izuan bin Syed Kamarulbahrin	6/7
Lau Kin Wai	5/7
Noor Syafiroz bin Mohd Noor	7/7

Board members are required to declare their directorship in other companies to the Board. All Board members are expected to devote sufficient time to carry out their roles and responsibilities as Directors. The Board is of the opinion the Companies Act 2016 and ACE Market Listing Requirements of Bursa Securities are sufficient to ensure adequate commitment by the Directors to perform their duties, including devoting sufficient time to the Company without it being formally regulated. This is evidenced by the attendance of the Directors and the time spent at Board meetings as shown above. Schedule for the Company's Board meeting was formulated and is shared with the Directors prior to the beginning of each financial year to ensure the Directors' commitment.

4.1 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.

During Financial Year Ended 2017, most of the Directors had attended various training programmes, conferences and workshops, which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors.

4.2 LIST OF DIRECTORS' TRAINING IN 2017

Directors	List of Training/Conference/Seminar/Workshop Attended/ Participated
Tan Sri Abdul Halim bin Ali	Are We Heading for Another Global Recession or Do We Care?
Datuk Noor Azrin bin Mohd Noor	Are We Heading for Another Global Recession or Do We Care?
Tan Sri Nuraizah binti Abdul Hamid	Changes Affecting Directors Under the Companies Act 2016: What Every Director Needs to Know
Datuk Syed Izuan bin Syed Kamarulbahrin	Critical and Creative Thinking Skills for Decision – Making and Problem - Solving
Lau Kin Wai	Implementing the Companies Act 2016 & The Malaysian Code of Corporate Governance 2017 – What Every Director Needs to Know
Noor Syafiroz bin Mohd Noor	Sustainability Report and Management Discussion & Analysis – What a Director Needs to Know

5.0 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 & Risk Management Committee, comprising wholly Independent Non-Executive Directors. The composition of the Audit & Risk Management Committee, its terms of reference, and the activities carried out are summarised in the Audit & Risk Management Committee Report as stated on pages 46 to 48 of this Annual Report.

The Audit & 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 2016. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

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

PRINCIPLE B – EFFECTIVE AUDIT & RISK MANAGEMENT

1.0 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 & Internal Control, which provides an overview of the risk management framework and state of internal control within the Group, is presented on pages 49 to 53 of this Annual Report.

2.0 SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Audit & Risk Management Committee meets the External Auditors concurrently twice a year to discuss their audit plan, audit findings and the Company's financial statements. Such meetings are held without the participation of the Management team of the Group. This encourages independence and open dialogue between both parties.

The Audit & Risk Management Committee had also considered non-audit services provided by the External Auditors during the financial year, and had concluded that these services have not compromised the External Auditors' independence and objectivity as the amount of non-audit fee paid was not significant as compared to the total fees paid. The fees for such non-audit services, as referred to in the table below, comprises review of the Statement on Risk Management & Internal Control, as well as, conversion of Private Entities Reporting Standard ("PERS") framework for Sedania As Salam Capital Sdn. Bhd., in compliance to the Malaysian Financial Reporting Standards ("MFRS").

The amount of audit and non-audit fees incurred for services rendered by the External Auditors during the financial year are as follows:-

	Group RM	Company RM
Audit Fee		
Statutory auditors of the Company	103,000	43,000
Other firm of auditors	18,000	-
Non-Audit Fee		
Statutory auditors of the Company	5,000	5,000
Other firm of auditors	40,000	-

3.0 INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional consulting firm and reports independently to the Audit & Risk Management Committee. The internal audit ("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.

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1.0 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 releases the 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.

2.0 STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

2.1 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.

2.2 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 next AGM to be held on 23 May 2018 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 Constitution to attend and vote on their behalf. The Chairman and the Board Members are in attendance to provide clarification on shareholders' queries.

At the AGM and EGM, all resolutions put forth for shareholders' approval at the meeting were voted on by poll. The outcomes of voting on the proposed resolutions are disclosed to the market and posted on the Company's website after the general meetings. The External Auditors attend the AGM to answer shareholders' questions on the conduct of the audit, the preparation and content of the audit report, the accounting policies adopted by the Company and the independence of the auditors in the audit process.

3.0 COMPLIANCE STATEMENT

The Company has complied with the Principles as set out in the Malaysian Code on Corporate Governance 2017 and the relevant chapters of the ACE Market Listing Requirements of Bursa Securities on Corporate Governance to the extent as set out above throughout the financial year ended 31 December 2017.

This Overview on Corporate Governance was approved by the Board of Directors on 27 March 2018.

The Board of Directors ("the Board") of Sedania Innovator Berhad ("the Company") and its subsidiaries ("Group") are pleased to present the Report of the Audit & Risk Management Committee ("ARMC" or "Committee") for the Financial Year Ended ("FYE") 31 December 2017.

1.0 COMPOSITION

The members of the ARMC 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)

2.0 MEETINGS

For the financial year ended 31 December 2017, six (6) ARMC meetings were held. Details of attendance of each member at the ARMC meetings are as follows:-

Members	Number of Meetings attended in 2017
Datuk Syed Izuan bin Syed Kamarulbahrin	6/6
Tan Sri Abdul Halim bin Ali	6/6
Tan Sri Nuraizah binti Abdul Hamid	6/6

The Audit Committee was established on 25 July 2014 and subsequently renamed as Audit & Risk Management Committee on 29 February 2016, to act as a committee for the Board of Directors. The ARMC comprises exclusively of Independent Non-Executive Directors. 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 Chairman of the ARMC, 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. 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 Chairman reports to the Board on principal matters deliberated at ARMC meetings. Minutes of each meeting are circulated to the Board at the most practicable next Board Meeting.

In addition, the Group Executive Director, the Group Chief Executive Officer and the Group Chief Financial Officer, key management, sponsor, external auditors and outsourced internal auditors also attended the meetings when invited by the ARMC to provide and present reports or information during the deliberation of matters pertaining to their respective areas, in the meetings.

The ARMC also had meetings with the external auditors without the presence of Management where they are given the opportunity to raise any concern or professional opinion and thus, to be able to exert its functions independently.

3.0 SUMMARY OF ACTIVITIES IN 2017

The ARMC carried out its duties in accordance with its Terms of Reference which can be viewed at the Company's website, www.sedaniainnovator.com. During the FYE 2017 the main activities undertaken by the ARMC are as follows:-

A. Financial Reporting and External Auditors

- (i) Reviewed and recommended the quarterly unaudited financial results announcements and the annual audited financial statements of the Company and the Group for the consideration and approval of the Board, focusing particularly on:-
 - (a) The overall performance of the Group;
 - (b) The prospects of the Group;
 - (c) The changes and implementation of major accounting policies and practices; and
 - (d) Compliance with Malaysian Financial Reporting Standards ("MFRS"), ACE Market Listing Requirements ("AMLR") and other legal requirements.
- (ii) Reviewed and monitored any related party transactions and conflict of interest situation that may arise within the Company and the Group;
- (iii) Discussed and reviewed the status of utilisation of proceeds from the Company's IPO proceeds;
- (iv) Reviewed and recommended to the Board the acquisition of entire issued and paid up capital of Sedania As Salam Capital Sdn. Bhd. held by Sedania Corporation Sdn. Bhd., the major shareholder of the Company;
- (v) Reviewed and considered with the External Auditors, statutory audit plan, scope of work and results of the annual audit for the Group and the Management Letter including Management's response;
- (vi) Convened a meeting with the External Auditors without the presence of the Executive Directors and Management to discuss relevant issues and obtain feedbacks;
- (vii) Evaluated the performance and effectiveness of the External Auditors and made recommendations to the Board of Directors on their reappointment and remuneration;
- (viii) Reviewed the Audit & Risk Management Committee Report and Statement on Risk Management & Internal Control before submitting for Board's approval and inclusion in the Company's Annual Report; and
- (ix) Reported to the Board on its activities, any significant issues and results.

B. Internal Audit

- (i) Reviewed the Internal Auditors' scope of work, annual audit plan and budget for the year to ensure adequacy of resources, competencies and the scope of coverage;
- (ii) Reviewed the status report and recommendations for corrective action plans submitted by Internal Auditors on their risk-based internal audit assignments (where appropriate, the ARMC instructed management to rectify and improve the systems of internal controls based on the Internal Auditors' recommendations and suggestions to ensure control lapses are addressed); and
- (iii) Addressed the objectivity, performance and independence of the Internal Auditors.

4.0 INTERNAL AUDIT FUNCTION

The Group appointed Messrs. Talent League Sdn. Bhd. (formerly known as C.H. Loo & Co.) ("Internal Auditors"), as independent professional internal audit service provider to carry out its internal audit function. A team of three (3) people completes the Internal Audit structure helmed by Mr. Hong Cheong Liang, CA (M), CPA (AUS), AIA. The Internal Auditors were engaged to conduct regular reviews and appraisals of the effectiveness of the internal control system, governance and risk management within the Company and the Group in accordance to a structured and recognised framework.

The Internal Auditors report directly to the ARMC and are provided full access to all the documents relating to the Company and Group's Governance, Financial and Operational aspect divisions.

The total cost incurred for the internal audit function of the Group for the financial year ended 31 December 2017 was RM 46,000.

The ARMC and the Board are satisfied with the performance of the outsourced Internal Auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsourcing of the Internal Audit function.

Further details of the Internal Audit Function are set out in the Statement on Risk Management & Internal Control on pages 49 to 53 of this Annual Report.

The ARMC Report was presented and approved at the meeting of the Board of Directors held on 27 March 2018.

1.0 INTRODUCTION

The Board of Directors ("Board") of Sedania Innovator Berhad ("Company") and its subsidiaries ("Group") are pleased to present the Statement on Risk Management & Internal Control ("Statement") which outlines the nature and scope of risk management & internal control system of Sedania Innovator Berhad and its subsidiaries ("the Group") for the financial year 31 December 2017 pursuant to Rule 15.26(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, Malaysian Code on Corporate Governance ("MCCG") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

2.0 RESPONSIBILITY FOR INTERNAL CONTROLS AND RISK MANAGEMENT

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 & 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.

3.0 RISK MANAGEMENT

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 shareholders' value.

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.

The Board, assisted by the Audit & 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.

Regular meetings attended by Heads of Department and key management team are held to discuss key operational issues, business performance matters, new business ventures and appropriate mitigating risk response strategies and controls.

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 at the acceptable tolerance level.

4.0 INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL

The Group's internal audit function is outsourced to an independent professional consulting firm, Messrs. Talent League Sdn. Bhd (formerly known as C.H. Loo & Co.) ("IA Consultant"). 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 & 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 performance of the internal audit function is carried out as per the annual audit plan approved by the Audit & Risk Management Committee. The internal control findings, weaknesses and recommendations as well as the management responses and action plan were deliberated during the quarterly meetings with the Audit & Risk Management Committee. The key management team is responsible for ensuring the corrective actions and recommendations on reported weaknesses are taken within the required time frame.

During the year under review, the IA Consultant had conducted various risks-based internal audit ("RBIA") assignments every quarter and made recommendations in improving the system of internal controls to the Audit & Risk Management Committee. The areas of RBIA audit covered during the year were Management Information System and research and development; financial reporting, treasury and procurement; business development, marketing and credit risk management. In the final quarter of 2017, the focus of internal control assessment for business development, marketing and credit risk management was on Sedania As Salam Capital Sdn. Bhd., which was acquired by the Company in July 2017.

5.0 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 key management team, but also by delegation of authority to the independent board committees such as the Audit & Risk Management, Nomination and Remuneration Committees in specific areas for enhanced internal control and corporate governance.

- **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 Department are held on a regular basis to identify, discuss and report on operational performance, business strategy, financial and key management issues for effective monitoring and decision-making.

- **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 updated as and when is necessary in line with the changes in the organisation.

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. Information Technology ("IT") Policies and Procedures

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

D. Whistle-blowing Policy

The Group's whistle-blowing 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.

F. Human Resource Policy

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

- **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 budget, with detailed explanations provided for material variances, reviews of internal and external factors contributing to performance, and management actions taken to improve the results. Variances against budget are analysed and reported internally on a quarterly basis in Management meetings.

- **Performance Reporting and Monitoring**

On a quarterly and annual basis, the financial performance and progress of key projects 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**

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 instill a performance culture within the Group and to align operations with corporate objectives as well as employees' interest with the shareholders.

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

Compensation is a critical area of human resource management, and one that can greatly affect employee behavior. As such, during the year, the Company has established a grading and compensation structure comparable to market as part of the commitment to attract and retain good talents in the Group.

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.

6.0 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.

7.0 ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The CEO and CFO have provided assurance to the Board, to the best of their knowledge and believe, that the Group's risk management & 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.

8.0 REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management & Internal Control. 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 & 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 & 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 Statement in Risk Management & Internal Control: Guidelines for Directors of Listed Issuer, nor is factually inaccurate.

9.0 CONCLUSION

The Board is of the opinion that the system of risk management & 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 2017. 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.

The Board of Directors approved this statement on 27 March 2018.

UTILISATION OF PROCEEDS FROM PUBLIC ISSUE

Sedania Innovator Berhad ("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.

As at 31 December 2017, all the proceeds raised have been fully utilised. Details of the utilisation are as follow:-

Purpose	IPO proceeds raised ^(a) RM'000	Amount Utilised as at 31 Dec 2017 RM'000	Balance as at 31 Dec 2017 RM'000	Intended Timeframe for Utilisation (from the listing date)
Capital Expenditure	4,000	4,000	-	Within 24 months
Marketing Expenses	4,100	1,863	2,237 ^(e)	Within 30 months ^(d)
R&D Expenses	2,500	2,500	-	Within 18 months ^(c)
Working capital*	6,757	10,111	(3,354) ^{(b)/(e)}	Within 30 months
Listing expenses*	2,200	1,083	1,117 ^(b)	Within 3 months
	19,557	19,557		

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, 29 February 2016 and 30 November 2017.
- The actual expenses incurred for the Initial Public Offering ("IPO") was lower than the estimated expenses for the said exercise. The Company had incurred RM1.99 million for its listing expenses, which was financed via internally generated funds of RM0.91 million, and proceeds of RM1.08 million which was raised through the IPO. Hence, the balance of unutilised IPO Proceeds for the listing expenses of RM1.12 million has been re-allocated to working capital of Sedania Innovator and its subsidiaries ("Group"), as announced in the Company's quarterly report as at 30 September 2015. The IPO Proceeds of RM1.12 million has been fully utilised as announced in the Company's quarterly report as at 31 December 2016.
- On 29 July 2016, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO Proceeds allocated for R&D expenses of RM0.58 million until 28 December 2016.
- On 16 June 2017, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO Proceeds which was earmarked for the marketing expenses of RM2.29 million to 28 December 2017.
- On 28 November 2017, the Company had announced that the Board has resolved to re-allocate the balance of RM2.24 million which was initially earmarked for the marketing expenses to working capital of the Company. The re-allocation of RM2.24 million from the marketing expenses was utilised towards payment for the trade payables and day-to-day working capital requirements of Sedania Group.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

No option has been granted by the Company under the new ESOS approved by the shareholders on 5 November 2015 to any parties during the financial year ended 31 December 2017.

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the External Auditors by the Group and the Company for the financial year 2017 are as follows:-

	Group RM	Company RM
Audit Fee		
Statutory auditors of the Company	103,000	43,000
Other firm of auditors	18,000	-
Non-Audit Fee		
Statutory auditors of the Company	5,000	5,000
Other firm of auditors	40,000	-

The Group incurred non-audit fees amounting to RM45,000 for services rendered by External Auditors to the Group during the financial year ended 31 December 2017, in relation to the review of the Statement on Risk Management & Internal Control, and conversion of Private Entities Reporting Standard ("PERS") framework for Sedania As Salam Capital Sdn. Bhd., to comply with Malaysian Financial Reporting Standards ("MFRS").

MATERIAL CONTRACTS 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 2017 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

There were no material recurrent related party transactions entered into by the Group during the financial year ended 31 December 2017.

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENT

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In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flows of the Group and the Company in accordance with applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the financial year ended 31 December 2017 set out on pages 58 to 122 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are reasonable and prudent.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have overall responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement was presented and approved at the meeting of the Board of Directors on 27 March 2018.

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The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year other than the acquisition of a subsidiary as disclosed in Note 6(c) to the financial statements.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	1,566,579	(1,541,032)
Attributable to:		
Owners of the parent	1,566,579	(1,541,032)
Non-controlling interest	-	-
	1,566,579	(1,541,032)

DIVIDENDS

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 2017:	
Interim single tier dividend of 1 sen per ordinary share, paid on 11 May 2017	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 other than the effects of adoption of Companies Act 2016 as disclosed in Note 12 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 200,000,000 to 225,806,452 by way of issuance of 25,806,452 new ordinary shares at an issue price of RM0.31 per ordinary share for the acquisition of a subsidiary as disclosed in Note 6 to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary 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 office since the date of the last report are as follows:

Sedania Innovator Berhad

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
Lau Kin Wai

Subsidiaries of Sedania Innovator Berhad (excluding those who are already listed above)

Dato' Izelan Bin Basar
Mohammad Azlan Bin Alias
Nor Khairi Bin Khalil
Dato' Fathul Bari Bin Mat Jahya (appointed on 27 July 2017)
Halim Bin Mohamed Dzin (removed on 9 January 2017)

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 2017 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Number of ordinary shares			
	Balance as at 1.1.2017	Bought	Sold	Balance as at 31.12.2017
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	9,286,560	-	-	9,286,560
Datuk Syed Izuan Bin Syed Kamarulbahrin	100,000	-	-	100,000
Noor Syafiroz Bin Mohd Noor	100,000	-	-	100,000

Shares in the ultimate holding company - Sedania Corporation Sdn. Bhd.

Direct interests:

Datuk Noor Azrin Bin Mohd Noor	999,999	-	-	999,999
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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 the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, 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 certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests as disclosed in Note 27 to the financial statements.

There were no arrangements made 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.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 21 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, 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 to be written off 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY cont'd

(II) AS AT THE END OF THE FINANCIAL YEAR cont'd

- (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.

(III) 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 provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (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 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 would or may affect the ability of the Group and of the Company to meet their 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.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 29 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 30 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.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2017 are disclosed in Note 20 to the financial statements.

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

Datuk Noor Azrin Bin Mohd Noor
Director

Kuala Lumpur
27 March 2018

Noor Syafiroz Bin Mohd Noor
Director

In the opinion of the Directors, the financial statements set out on pages 70 to 122 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 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 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Datuk Noor Azrin Bin Mohd Noor
Director

Noor Syafiroz Bin Mohd Noor
Director

Kuala Lumpur
27 March 2018

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 70 to 122 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)
27 March 2018)

Rizalzin Hashim Bin Mohammed

Before me:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEDANIA INNOVATOR BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sedania Innovator Berhad, which comprise the statements of financial position as at 31 December 2017 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Recoverability of trade receivables

As at 31 December 2017, trade receivables that were past due and not impaired amounted to RM11,734,408. The details of trade receivables and its credit risk have been disclosed in Note 8(d) to the financial statements.

The determination of whether these trade receivables are recoverable involves significant management judgement based on analyses of historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms.

Key Audit Matters cont'd

(a) Recoverability of trade receivables cont'd

Audit response

Our audit procedures included the following:

- (a) Challenged assessment of management that no impairment loss was required based on analysis of customer creditworthiness, past historical payment trends and expectation of repayment patterns;
- (b) Assessed recoverability of receivables that were past due but not impaired with reference to their historical bad debt expense, credit profiles of the counter parties and past historical payment trends; and
- (c) Traced cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

(b) Impairment assessment of the carrying amount of investments in subsidiaries

As at 31 December 2017, investments in subsidiaries and amount owing by a subsidiary amounted to RM26,853,280 and RM5,819,500 respectively as disclosed in Note 6 and Note 8 to the financial statements.

The determination of recoverable amounts requires significant judgement and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amounts. In this instance, the recoverable amount is based on value-in-use or fair value less cost to sell, whichever is higher. These key assumptions include different budgeted operating profit margins, growth rates, terminal values as well as determining an appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- (a) Challenged assessment of management that no impairment losses on investments in subsidiaries and amount owing by a subsidiary were required based on recoverable amounts of the subsidiaries, past historical payment trends and expectation of payment patterns;
- (b) Compared cash flow projections against recent performance and historical accuracy of forecasts/projections and challenged key assumptions in projections, where applicable;
- (c) Verified earnings before interest and tax margins, growth rates and terminal values by assessing evidence available to support these key assumptions; and
- (d) Assessed the reasonableness of pre-tax discount rate by comparing to the weighted average cost of capital of the Company and relevant risk factors.

INDEPENDENT AUDITORS' REPORT (Cont.)

TO THE MEMBERS OF SEDANIA INNOVATOR BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements cont'd

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: cont'd

- (b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Cont.)

TO THE MEMBERS OF SEDANIA INNOVATOR BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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

27 March 2018
Kuala Lumpur

Rejeesh A/L Balasubramaniam

02895/08/2018 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

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	Note	Group		Company	
		2017	Restated 2016	2017	2016
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	3,504,578	4,483,331	-	-
Investments in subsidiaries	6	-	-	26,853,280	14,853,280
Finance lease receivable	7	5,095,819	3,075,485	-	-
		8,600,397	7,558,816	26,853,280	14,853,280
Current assets					
Trade and other receivables	8	17,721,868	9,842,443	6,161,300	3,231,810
Finance lease receivable	7	1,215,543	759,983	-	-
Inventories	9	16,057	22,263	-	-
Short term funds	10	14,072,876	19,573,962	12,458,882	19,564,286
Cash and bank balances	11	1,724,079	2,466,335	167,484	468,049
		34,750,423	32,664,986	18,787,666	23,264,145
TOTAL ASSETS		43,350,820	40,223,802	45,640,946	38,117,425
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	42,005,304	20,000,000	42,005,304	20,000,000
Share premium	13	-	14,005,304	-	14,005,304
Reorganisation debit	13	(10,853,280)	(10,853,280)	-	-
Retained earnings	13	1,577,204	2,010,625	273,114	3,814,146
TOTAL EQUITY		32,729,228	25,162,649	42,278,418	37,819,450

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

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT 31 DECEMBER 2017

		Group		Company	
		Restated			
	Note	2017 RM	2016 RM	2017 RM	2016 RM
LIABILITIES					
Non-current liabilities					
Borrowings	14	649,073	747,764	-	-
Deferred tax liabilities	17	55,688	84,819	-	-
		704,761	832,583	-	-
Current liabilities					
Trade and other payables	18	9,229,928	14,004,997	3,362,528	297,975
Borrowings	14	98,691	97,301	-	-
Current tax liabilities		588,212	126,272	-	-
		9,916,831	14,228,570	3,362,528	297,975
TOTAL LIABILITIES		10,621,592	15,061,153	3,362,528	297,975
TOTAL EQUITY AND LIABILITIES		43,350,820	40,223,802	45,640,946	38,117,425

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 2017

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	Note	Group Restated		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	19	27,296,701	17,553,347	-	1,610,000
Other operating income		1,771,027	1,296,558	2,035,409	910,870
Advertisement and promotions		(551,064)	(1,169,815)	(2,916)	(3,024)
Cost of goods sold		(15,610,544)	(5,941,235)	-	-
Directors' remuneration	21	(1,646,290)	(1,513,271)	(1,562,290)	(1,187,831)
Employee benefits	26	(5,249,741)	(5,954,932)	(731,525)	(459,255)
Depreciation of property, plant and equipment	5	(1,148,876)	(1,084,441)	-	-
Other operating expenses		(2,668,119)	(3,882,725)	(1,279,710)	(592,260)
Finance costs		(36,512)	(38,905)	-	-
Profit/(Loss) before tax	20	2,156,582	(735,419)	(1,541,032)	278,500
Taxation	22	(590,003)	(266,566)	-	-
Profit/(Loss) for the financial year		1,566,579	(1,001,985)	(1,541,032)	278,500
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		1,566,579	(1,001,985)	(1,541,032)	278,500
Profit/(Loss) attributable to:					
Owners of the parent		1,566,579	(1,001,985)	(1,541,032)	278,500
Non-controlling interests		-	-	-	-
		1,566,579	(1,001,985)	(1,541,032)	278,500
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1,566,579	(1,001,985)	(1,541,032)	278,500
Non-controlling interests		-	-	-	-
		1,566,579	(1,001,985)	(1,541,032)	278,500
Earnings/(Loss) per ordinary share attributable to equity holders of the Company:					
Basic and diluted earnings/(loss) per share (sen)	23	0.74	(0.50)		

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 2017

Group	Note	Share capital RM	Share premium RM	Reorganisation debit RM	Retained earnings RM	Total RM
Balance as at 1 January 2016		20,000,000	14,005,304	(853,280)	7,170,773	40,322,797
Reorganisation exercise	32	-	-	(10,000,000)	(2,158,163)	(12,158,163)
Restated balance as at 1 January 2016		20,000,000	14,005,304	(10,853,280)	5,012,610	28,164,634
Loss for the financial year		-	-	-	(1,001,985)	(1,001,985)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(1,001,985)	(1,001,985)
Transactions with owners						
Interim dividend paid	24	-	-	-	(2,000,000)	(2,000,000)
Total transactions with owners		-	-	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2016		20,000,000	14,005,304	(10,853,280)	2,010,625	25,162,649
Profit for the financial year		-	-	-	1,566,579	1,566,579
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	1,566,579	1,566,579
Transactions with owners						
Issuance of ordinary shares	12	8,000,000	-	-	-	8,000,000
Interim dividend paid	24	-	-	-	(2,000,000)	(2,000,000)
Total transaction with owners		8,000,000	-	-	(2,000,000)	6,000,000
Transfer pursuant to Companies Act 2016*		14,005,304	(14,005,304)	-	-	-
Balance as at 31 December 2017		42,005,304	-	(10,853,280)	1,577,204	32,729,228

* Pursuant to the Companies Act 2016, the credit balance in the share premium account has been transferred to the share capital account.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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Company	Note	Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total RM
Balance as at 1 January 2016		20,000,000	14,005,304	5,535,646	39,540,950
Profit for the financial year		-	-	278,500	278,500
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	278,500	278,500
Transaction with owners					
Interim dividend paid	24	-	-	(2,000,000)	(2,000,000)
Total transaction with owners		-	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2016		20,000,000	14,005,304	3,814,146	37,819,450
Loss for the financial year		-	-	(1,541,032)	(1,541,032)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(1,541,032)	(1,541,032)
Transactions with owners					
Issuance of ordinary shares	12	8,000,000	-	-	8,000,000
Interim dividend paid	24	-	-	(2,000,000)	(2,000,000)
Total transactions with owners		8,000,000	-	(2,000,000)	6,000,000
Transfer pursuant to Companies Act 2016*		14,005,304	(14,005,304)	-	-
Balance as at 31 December 2017		42,005,304	-	273,114	42,278,418

* Pursuant to the Companies Act 2016, the credit balance in the share premium account has been transferred to the share capital account.

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Group		Company	
		2017	Restated 2016	2017	2016
		RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		2,156,582	(735,419)	(1,541,032)	278,500
Adjustments for:					
Depreciation of property, plant and equipment	5	1,148,876	1,084,441	-	-
Dividend income		-	-	-	(1,610,000)
Interest expense		36,512	38,905	-	-
Income distribution from short term funds		(559,722)	(1,016,395)	(535,405)	(910,870)
Interest income from finance lease		(770,390)	(146,699)	-	-
Property, plant and equipment written off	5	15	-	-	-
Unrealised loss/(gain) on foreign exchange		123,037	(48,271)	-	-
Operating profit/(loss) before working capital changes		2,134,910	(823,438)	(2,076,437)	(2,242,370)
Increase in trade and other receivables		(7,232,072)	(3,516,948)	(109,990)	(202,216)
Increase in finance lease receivable		(2,475,894)	(3,835,468)	-	-
Decrease/(Increase) in inventories		6,206	(22,263)	-	-
Increase in trade and other payables		4,224,931	1,250,755	64,553	120,440
Cash used in operations		(3,341,919)	(6,947,362)	(2,121,874)	(2,324,146)
Tax paid		(157,194)	(190,958)	-	-
Net cash used in operating activities		(3,499,113)	(7,138,320)	(2,121,874)	(2,324,146)

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

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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	Note	Group		Company	
		2017	Restated 2016	2017	2016
		RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		-	-	-	1,610,000
Purchase of property, plant and equipment	5	(170,138)	(1,011,975)	-	-
Advances to a subsidiary		-	-	(2,819,500)	(3,000,000)
Advances from a related party		-	1,809	-	-
Repayments to a subsidiary		-	-	-	(1,208,709)
Repayments to ultimate holding company		(1,000,000)	(1,133,489)	-	-
Acquisition of interest in a subsidiary	6	-	-	(1,000,000)	-
Income distribution received from short term funds		559,722	1,016,395	535,405	910,870
Net cash used in investing activities		(610,416)	(1,127,260)	(3,284,095)	(1,687,839)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of:					
- term loan		(74,344)	(71,114)	-	-
- hire purchase creditor		(22,957)	(14,531)	-	-
Dividends paid		(2,000,000)	(4,000,000)	(2,000,000)	(4,000,000)
Interest paid		(36,512)	(38,905)	-	-
Net cash used in financing activities		(2,133,813)	(4,124,550)	(2,000,000)	(4,000,000)
Net decrease in cash and cash equivalents		(6,243,342)	(12,390,130)	(7,405,969)	(8,011,985)
Cash and cash equivalents at beginning of financial year		22,040,297	34,430,427	20,032,335	28,044,320
Cash and cash equivalents at end of financial year	11	15,796,955	22,040,297	12,626,366	20,032,335

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

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Term loan (Note 16)		Hire purchase creditor (Note 15)	
	Group RM	Company RM	Group RM	Company RM
At 1 January 2017	735,596	-	109,469	-
Cash flows				
- Repayment	(74,344)	-	(22,957)	-
At 31 December 2017	661,252	-	86,512	-

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

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 2017 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 27 March 2018.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year other than the acquisition of a subsidiary as disclosed in Note 6(c) to the financial statements.

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 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 31.1 to the financial statements.

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

During the financial year, a reorganisation exercise has been carried out through the Company's acquisition of Sedania As Salam Capital Sdn. Bhd. ("SASC"), a subsidiary of Sedania Corporation Sdn. Bhd. Upon completion of the above reorganisation exercise, the Company became the legal parent of SASC.

3. BASIS OF PREPARATION cont'd

As SASC is under common control before and after the reorganisation exercise, the Group applied the pooling of interest method of accounting and the consolidated financial statements have been accounted for as if the reorganisation exercise had occurred from the date when these entities were under common control.

Accordingly, the results of the Group have been stated as if SASC have been combined with the Company throughout the current and previous accounting periods even though the reorganisation was effected on 20 July 2017.

4. OPERATING SEGMENTS

Sedania Innovator Berhad and its subsidiaries are principally engaged in investment holding company, providing computer solution and development services, networking installation, procurement and supply services pertaining to or connected with telecommunications and information technology which includes multimedia products and all other related activities and engaged in business of Shariah compliant platform for personal Islamic banking, general advertising agents and trading of telecommunication products.

The Group has arrived at six (6) (2016: five (5)) 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) Sharing platform

Providing the technology on Airtime sharing for telecommunication providers.

(b) Green technology solutions

Provision of green technology solutions for a sustainable and environmentally friendly product and services.

(c) Internet of things ("IOT") solutions

Provision for solutions for inter-networking of connected devices for infrastructure management

(d) Big data analytics

Provision of big data analytics services and related activities.

(e) Financial technology

Provision of financial technology solutions for banking industry.

(f) Others

Others comprises operations relating to investment holding.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

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4. OPERATING SEGMENTS cont'd

Big data analytics is new segment of the Group during the financial year while Financial technology is a new segment entered by the Group upon completion of acquisition of Sedania As Salam Capital Sdn. Bhd.

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.

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 current tax liabilities and deferred tax liabilities.

2017	Sharing platform	Green technology solutions	Internet of things solutions	Big data analytics	Financial technology	Others	Total
	RM	RM	RM	RM	RM	RM	RM
Segment profit/(loss)	501,392	674,441	1,531,937	(951,086)	1,940,931	(1,541,033)	2,156,582

Included in the measure of segment profits are:

Revenue from external customers	5,701,525	4,227,724	13,299,709	239,156	3,828,587	-	27,296,701
Inter-segment revenue	-	-	-	-	-	1,200,000	1,200,000
Depreciation of property, plant and equipment	693,044	120,096	115,001	170,055	50,680	-	1,148,876
Interest expense	19,626	3,397	3,257	4,844	5,388	-	36,512
Interest income	18,614	770,390	-	-	5,703	535,405	1,330,112
Segment/Total assets	9,955,237	8,612,224	8,429,342	200,000	3,185,852	12,968,165	43,350,820

Included in the measure of segment assets are:

Additions to non-current assets:

- Property, plant and equipment	163,959	-	-	-	6,179	-	170,138
Segment liabilities	948,330	1,301,026	4,097,017	-	268,790	3,362,529	9,977,692
Deferred tax liabilities							55,688
Current tax liabilities							588,212
Total liabilities							10,621,592

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

4. OPERATING SEGMENTS cont'd

Restated 2016	Sharing platform RM	Green technology solutions RM	Internet of things solutions RM	Financial technology RM	Others RM	Total RM
Segment (loss)/profit	(3,117,168)	618,039	350,000	1,135,210	278,500	(735,419)
Included in the measure of segment profits are:						
Revenue from external customers	7,968,974	4,003,769	2,300,000	3,280,604	-	17,553,347
Inter-segment revenue	-	-	-	-	(1,610,000)	(1,610,000)
Depreciation of property, plant and equipment	1,037,390	-	-	47,051	-	1,084,441
Interest expense	34,352	-	-	4,553	-	38,905
Interest income	105,525	146,699	-	-	910,870	1,163,094
Segment/Total assets	12,062,663	4,169,368	2,438,000	1,289,626	20,264,145	40,223,802
Included in the measure of segment assets are:						
Additions to non-current assets:						
- Property, plant and equipment	980,967	-	-	155,008	-	1,135,975
Segment liabilities	1,618,492	-	620,100	313,496	12,297,974	14,850,062
Deferred tax liabilities						84,819
Current tax liabilities						126,272
Total liabilities						15,061,153

4. OPERATING SEGMENTS cont'd

(a) 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.

	2017	Restated 2016
	RM	RM
Revenue from external customers		
Malaysia	25,826,962	15,287,496
South East Asia other than Malaysia	1,469,739	2,265,851
	27,296,701	17,553,347
Non-current assets		
Malaysia	8,227,774	7,041,951
South East Asia other than Malaysia	372,623	516,865
	8,600,397	7,558,816

(b) Major customers

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

	2017	Group Restated 2016
	RM	RM
Customer A	3,070,513	4,223,269
Customer B	1,469,739	2,262,507
Customer C	12,190,000	2,300,000
Customer D	4,227,724	4,003,769
	20,957,976	12,789,545

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.1.2017 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2017 RM
Carrying amount					
Office building	880,000	-	-	(20,000)	860,000
SMS/IT equipment	2,344,520	134,868	-	(703,424)	1,775,964
Furniture and fittings	267,517	35,270	-	(94,391)	208,396
Motor vehicles	665,633	-	-	(227,208)	438,425
Renovation	325,661	-	(15)	(103,853)	221,793
	4,483,331	170,138	(15)	(1,148,876)	3,504,578

At 31.12.2017			
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office building	1,000,000	(140,000)	860,000
SMS/IT equipment	3,935,672	(2,159,708)	1,775,964
Furniture and fittings	844,563	(636,167)	208,396
Motor vehicles	1,136,039	(697,614)	438,425
Renovation	874,666	(652,873)	221,793
	7,790,940	(4,286,362)	3,504,578

Restated Group	Balance as at 1.1.2016 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2016 RM
Carrying amount				
Office building	900,000	-	(20,000)	880,000
SMS/IT equipment	2,086,042	892,282	(633,804)	2,344,520
Furniture and fittings	266,241	107,654	(106,378)	267,517
Motor vehicles	750,000	136,039	(220,406)	665,633
Renovation	429,514	-	(103,853)	325,661
	4,431,797	1,135,975	(1,084,441)	4,483,331

5. PROPERTY, PLANT AND EQUIPMENT cont'd

	← At 31.12.2016 →		
	Cost	Accumulated depreciation	Carrying amount
	RM	RM	RM
Office building	1,000,000	(120,000)	880,000
SMS/IT equipment	3,800,804	(1,456,284)	2,344,520
Furniture and fittings	809,293	(541,776)	267,517
Motor vehicles	1,136,039	(470,406)	665,633
Renovation	874,666	(549,005)	325,661
	7,620,802	(3,137,471)	4,483,331

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal annual depreciation rates are as follows:

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

- (b) As at 31 December 2017, office building of the Group with a carrying amount of RM860,000 (2016: RM880,000) has been charged to a bank for credit facilities granted to the Group as disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

5. PROPERTY, PLANT AND EQUIPMENT cont'd

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

	Group	
	2017	Restated
	RM	2016
		RM
Purchase of property, plant and equipment	170,138	1,135,975
Financed by hire purchase arrangements	-	(124,000)
Cash payments on purchase of property, plant and equipment	170,138	1,011,975

- (d) The carrying amount of the property, plant and equipment of the Group under hire purchase arrangements are as follows:

	Group	
	2017	Restated
	RM	2016
		RM
Motor vehicles	88,425	115,633

Details of the terms and conditions of the hire purchase arrangements are disclosed in Note 15 to the financial statements.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	RM	RM
Unquoted equity shares, at cost	26,853,280	14,853,280

6. INVESTMENTS IN SUBSIDIARIES cont'd

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost.
- (b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity		Principal activities
		2017	2016	
IDOTTV Sdn. Bhd.	Malaysia	100	100	Engaged in business of providing computer solution and development services, networking installation, procurement and supply services pertaining to or connected with telecommunications and information technology which includes multimedia products and all other related activities.
SASC *	Malaysia	100	-	Engaged in business of Shariah compliant platform for personal Islamic banking, financial technology consultation, solution and platforms, general advertising agents and trading of telecommunication products.

* *Subsidiary not audited by BDO Malaysia or BDO member firms.*

- (c) Acquisition of a subsidiary during the financial year ended 31 December 2017

During the financial year, a reorganisation exercise has been carried out through the Company's acquisition of SASC for a total consideration of RM12,000,000 by way of listing of 25,806,452 consideration shares on ACE Market of Bursa Securities on 20 July 2017. A payment of RM1,000,000 has been made to Sedania Corporation Sdn. Bhd. ("SedaniaCorp") and a security of RM3,000,000 has been retained by the Company pursuant to the share sale agreement. Upon completion of the above reorganisation exercise, SASC became a wholly-owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

6. INVESTMENTS IN SUBSIDIARIES cont'd

- (c) Acquisition of a subsidiary during the financial year ended 31 December 2017 cont'd

The carrying amount of the identifiable assets and liabilities acquired as follows:

	2017 RM	2016 RM
Property, plant and equipment	126,619	171,135
Trade and other receivables	1,812,706	716,411
Short term funds	805,704	-
Cash and bank balances	440,823	402,080
Trade and other payables	(182,278)	(204,026)
Hire purchase creditor	(86,512)	(109,469)
Deferred tax liabilities	(6,000)	-
Current tax liabilities	(323,773)	-
Total identified net assets	2,587,289	976,131

SedaniaCorp had guaranteed that SASC will achieve actual profit after tax ("PAT") of RM1,500,000 per annum ("Profit Guarantee") for the financial years ending 31 December 2017 and 2018. In the event its fails:

- (i) there is a shortfall for the financial year ending 31 December 2017, the Company shall be entitled to be reimbursed and deduct from the Retention sum (Tranche 1) an amount equivalent to the shortfall or RM1,500,000, whichever is lower; and
 - (ii) there is a shortfall for the financial year ending 31 December 2018, the Company shall be entitled to be reimbursed and deduct from the Retention sum (Tranche 2) an amount equivalent to the shortfall or RM1,500,000, whichever is lower.
- (d) The Group reviews the investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates had also been used to determine the key assumptions applied to the cash flow projections, which includes the projected earnings before interest and tax margins, growth rates, terminal values and the appropriate pre-tax discount rates used for each of the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed their recoverable amount.

7. FINANCE LEASE RECEIVABLE

	Group	
	2017	2016
	RM	RM
Non-current		
Finance lease receivable	5,095,819	3,075,485
Current		
Finance lease receivable	1,215,543	759,983
	6,311,362	3,835,468

(a) The repayment terms of finance lease receivable are as follows:

	Group	
	2017	2016
	RM	RM
Finance lease receivable:		
Not later than one (1) year	2,079,000	1,134,000
Later than one (1) year and not later than five (5) years	6,426,000	4,252,500
	8,505,000	5,386,500
Less: Unearned interest	(2,193,638)	(1,551,032)
	6,311,362	3,835,468
Representing finance lease receivable:		
Not later than one (1) year	1,215,543	759,983
Later than one (1) year and not later than five (5) years	5,095,819	3,075,485
	6,311,362	3,835,468

- (b) The carrying amount of finance lease receivable of the Group as at the end of the reporting period approximate its fair value.
- (c) The credit term of finance lease receivable of the Group is 30 days (2016: 30 days) from the date of invoice.
- (d) The effective interest rate for finance lease receivable is fixed at 15% (2016: 15%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

7. FINANCE LEASE RECEIVABLE cont'd

- (e) The Group determines concentration of credit risk by monitoring their finance lease receivable on an ongoing basis. At the end of the reporting period, concentration of credit risk arose from one (1) (2016: one (1)) finance lease receivable.
- (f) The fair value of finance lease receivable is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (g) Finance lease receivable are denominated in RM.

8. TRADE AND OTHER RECEIVABLES

	Group Restated		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables				
Third parties	15,403,287	8,413,405	-	-
Other receivables, deposits and prepayment				
Other receivables	1,577,164	491,625	303,000	-
Amount owing by a subsidiary	-	-	5,819,500	3,000,000
Refundable deposits	706,438	575,950	1,000	1,000
Prepayments	204,979	531,463	37,800	230,810
	2,488,581	1,599,038	6,161,300	3,231,810
Less: Impairment loss on other receivables	(170,000)	(170,000)	-	-
Total trade and other receivables	17,721,868	9,842,443	6,161,300	3,231,810

8. TRADE AND OTHER RECEIVABLES cont'd

	Group		Company	
		Restated		
	2017	2016	2017	2016
	RM	RM	RM	RM
Total trade and other receivables	17,721,868	9,842,443	6,161,300	3,231,810
Finance lease receivable (Note 7)	6,311,362	3,835,468	-	-
Cash and bank balances (Note 11)	1,724,079	2,466,335	167,484	468,049
Less: Prepayments	(204,979)	(531,463)	(37,800)	(230,810)
Total loan and receivables	25,552,330	15,612,783	6,290,984	3,469,049

- (a) Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 to 60 days (2016: 30 to 60 days) from the date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Amount owing by a subsidiary represents advances, which are unsecured, interest free and payable upon demand in cash and cash equivalents.
- (d) The aging analysis of trade receivables of the Group are as follows:

	Group	
		Restated
	2017	2016
	RM	RM
Neither past due nor impaired	3,668,879	3,748,277
Past due, not impaired:		
- 31 to 90 days	1,522,332	1,886,514
- 91 to 180 days	8,277,176	964,668
- 181 to 360 days	1,229,211	1,158,869
- more than 360 days	705,689	655,077
	11,734,408	4,665,128
	15,403,287	8,413,405

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

8. TRADE AND OTHER RECEIVABLES cont'd

- (d) 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.

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

	Group	
	2017	2016
Other receivables	RM	RM
As at 1 January/31 December	170,000	170,000

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 debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the difference would impact the carrying amount of receivables.

8. TRADE AND OTHER RECEIVABLES cont'd

- (f) 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:

	2017		Restated 2016	
	RM	% of total	RM	% of total
By country				
Malaysia	13,586,617	88	5,212,570	62
Bangladesh	1,810,452	12	3,194,617	38
Indonesia	6,218	<1	6,218	<1
	15,403,287	100	8,413,405	100

At the end of the reporting period, concentration of credit risk arose from three (3) trade receivables amounting to RM11,364,364 (2016: three (3) trade receivables amounting to RM6,810,039), which represents 79% (2016: 88%) 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.

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

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Ringgit Malaysia	15,905,198	6,641,608	6,161,300	3,231,810
United States Dollar	1,810,452	3,194,617	-	-
Indonesian Rupiah	6,218	6,218	-	-
	17,721,868	9,842,443	6,161,300	3,231,810

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

8. TRADE AND OTHER RECEIVABLES cont'd

- (h) The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the United States Dollar ("USD") and Indonesian Rupiah ("IDR") exchange rates against the functional currencies of the Group, with all other variables held constant:

	Group	
	2017	Restated
	RM	2016
		RM
Profit/(Loss) after tax		
USD/RM - strengthen by 3%	41,278	(72,837)
- weaken by 3%	(41,278)	72,837
IDR/RM - strengthen by 3%	142	(142)
- weaken by 3%	(142)	142

9. INVENTORIES

	Group	
	2017	2016
	RM	RM
At cost		
Airtime reloads	16,057	22,263

Cost of inventories is determined on a weighted average basis.

10. SHORT TERM FUNDS

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM

Financial assets at fair value through profit or loss

Short term funds	14,072,876	19,573,962	12,458,882	19,564,286
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- (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) Placement in funds are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (c) Short term funds are denominated in RM.

11. CASH AND BANK BALANCES

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM

Cash and bank balances	1,724,079	2,466,335	167,484	468,049
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- (a) Bank balances are deposits held at call with licensed banks.
- (b) Cash and bank balances are denominated in RM.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

11. CASH AND BANK BALANCES cont'd

- (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	
		Restated		
	2017	2016	2017	2016
	RM	RM	RM	RM
Cash and bank balances	1,724,079	2,466,335	167,484	468,049
Short term funds (Note 10)	14,072,876	19,573,962	12,458,882	19,564,286
	15,796,955	22,040,297	12,626,366	20,032,335

12. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares	RM	Number of shares	RM
Issued and fully paid				
Balance as at 1 January	200,000,000	20,000,000	200,000,000	20,000,000
Issued during the financial year	25,806,452	8,000,000	-	-
Transfer from share premium account pursuant to the Companies Act 2016	-	14,005,304	-	-
Balance as at 31 December	225,806,452	42,005,304	200,000,000	20,000,000

- (a) During the financial year, the issued and fully paid-up share capital of the Company was increased from RM20,000,000 to RM28,000,000 by way of issuance of 25,806,452 new ordinary shares at an issue price of RM0.31 each pursuant to the acquisition of the entire equity interest in SASC as disclosed in Note 6 to the financial statements.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) 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.

12. SHARE CAPITAL cont'd

- (c) With the introduction of the Companies Act 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM14,005,304 has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of the Companies Act 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the member as a result of this transition.

13. RESERVES

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-distributable				
Share premium	-	14,005,304	-	14,005,304
Reorganisation debit	(10,853,280)	(10,853,280)	-	-
Distributable				
Retained earnings	1,577,204	2,010,625	273,114	3,814,146
	(9,276,076)	5,162,649	273,114	17,819,450

- (a) Share premium

With the introduction of the Companies Act 2016 effective 31 January 2017, the balance within the share premium account has been transferred to the share capital account as disclosed in Note 12(c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

13. RESERVES cont'd

(b) Reorganisation debit

The reorganisation debit arose from the acquisition of subsidiaries based on the difference between the amount recorded as cost of merger and the nominal value of subsidiaries' share capital acquired under the pooling of interest method of accounting as follows:

	IDOTTV Sdn. Bhd. RM	SASC RM	Total RM
Cost of merger	14,853,280	12,000,000	26,853,280
Less: Share capital	(14,000,000)	(2,000,000)	(16,000,000)
	853,280	10,000,000	10,853,280

14. BORROWINGS

	Group Restated	
	2017 RM	2016 RM
Current liabilities		
Hire purchase creditor	24,346	22,956
Term loan (secured)	74,345	74,345
	98,691	97,301
Non-current liabilities		
Hire purchase creditor	62,166	86,513
Term loan (secured)	586,907	661,251
	649,073	747,764
Total borrowings		
Hire purchase creditor (Note 15)	86,512	109,469
Term loan (secured) (Note 16)	661,252	735,596
	747,764	845,065

- (a) Borrowings are classified as other financial liabilities, and are measured at amortised cost using effective interest method.

14. BORROWINGS cont'd

- (b) All borrowings are denominated in RM.
- (c) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values, are as follows:

	2017		Restated 2016	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM	RM	RM	RM
Hire purchase creditor	86,512	82,672	109,469	103,506

The fair value of hire purchase creditor is estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

The carrying amount the term loan is reasonable approximation of fair value, either due to its short-term nature or that floating rate instrument that is re-priced to market interest rates on or near the end of each reporting period.

The fair value of borrowings are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

14. BORROWINGS cont'd

- (d) The weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk is summarised in the table below:

Group	Weighted average effective interest rate per annum %	Within one year RM	One to five years RM	More than five years RM	Total RM
31 December 2017					
Hire purchase creditor					
Fixed rate	2.05%	24,346	62,166	-	86,512
Term loan					
Floating rate	4.45%	74,345	348,184	238,723	661,252
Restated					
31 December 2016					
Hire purchase creditor					
Fixed rate	2.05%	22,956	86,513	-	109,469
Term loan					
Floating rate	4.45%	74,345	332,710	328,541	735,596

- (e) 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 would result in the profit/(loss) after tax of the Group to be lower by RM1,706 (2016: higher by RM1,802).

14. BORROWINGS cont'd

- (f) The table below summarises the maturity profile of the Group's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
As at 31 December 2017				
Hire purchase creditor	28,344	66,086	-	94,430
Term loan	102,221	422,233	251,479	775,933
	130,565	488,319	251,479	870,363
Restated				
As at 31 December 2016				
Hire purchase creditor	28,344	94,430	-	122,774
Term Loan	105,468	421,872	353,933	881,273
	133,812	516,302	353,933	1,004,047

15. HIRE PURCHASE CREDITOR

	Group Restated	
	2017	2016
	RM	RM
Minimum hire purchase and lease payments:		
- not later than one (1) year	28,344	28,344
- later than one (1) year but not later than five (5) years	66,086	94,430
Total minimum hire purchase and lease payments	94,430	122,774
Less: Future interest charges	(7,918)	(13,305)
Present value of hire purchase and lease payments	86,512	109,469

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

15. HIRE PURCHASE CREDITOR cont'd

	Group	
	2017	Restated 2016
	RM	RM
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	24,346	22,956
Non-current liabilities		
- later than one (1) year and not later than five (5) years	62,166	86,513
	86,512	109,469

16. TERM LOAN

- (a) Term loan of the Group is secured by a charge over a subsidiary's office building as disclosed in Note 5 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.

17. DEFERRED TAX LIABILITIES

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

	Group	
	2017	2016
	RM	RM
Balance as at 1 January	84,819	87,932
Recognised in profit or loss (Note 22)	(29,131)	(3,113)
Balance as at 31 December	55,688	84,819
Presenting after appropriate offsetting:		
Deferred tax asset, net	(40,800)	(40,800)
Deferred tax liabilities, net	96,488	125,619
	55,688	84,819

17. DEFERRED TAX LIABILITIES cont'd

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

Group	Property, plant and equipment	Others	Total
Deferred tax liabilities	RM	RM	RM
At 1 January 2017	74,575	51,044	125,619
Recognised in profit or loss	(64,661)	35,530	(29,131)
At 31 December 2017	9,914	86,574	96,488
At 1 January 2016	89,328	41,104	130,432
Recognised in profit or loss	(14,753)	9,940	(4,813)
At 31 December 2016	74,575	51,044	125,619

Deferred tax asset	Allowances	Total
	RM	RM
At 1 January 2017	(40,800)	(40,800)
Recognised in profit or loss	-	-
At 31 December 2017	(40,800)	(40,800)
At 1 January 2016	(42,500)	(42,500)
Recognised in profit or loss	1,700	1,700
At 31 December 2016	(40,800)	(40,800)

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

17. DEFERRED TAX LIABILITIES cont'd

- (c) The temporary differences for which no deferred tax asset has been recognised in the statements of financial position are as follows:

	Group	
	2017	Restated 2016
	RM	RM
Unutilised tax losses	-	207,000

Deferred tax assets of a subsidiary have not been recognised in respect of this item as it is not probable that taxable profits of the subsidiary would be available against which the deductible temporary differences could be utilised.

The amount and availability of this item to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	Restated 2016	2017	2016
	RM	RM	RM	RM
Trade payables				
Third parties	5,472,851	168,625	-	-
Other payables				
Other payables	211,578	620,230	58,823	80,930
Accruals	2,045,499	4,216,142	1,803,705	217,045
Amount owing to ultimate holding company	1,500,000	9,000,000	1,500,000	-
	3,757,077	13,836,372	3,362,528	297,975
	9,229,928	14,004,997	3,362,528	297,975

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Company ranged from 30 days (2016: 30 days) from the date of invoice.

- (b) Amount owing to ultimate holding company represents advances, which is unsecured, interest free and payable upon demand in cash and cash equivalents.

18. TRADE AND OTHER PAYABLES cont'd

- (c) The maturity profile of the liability of the Group's and of the Company's trade and other payables at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year	One to five years	Over five years	Total
As at 31 December 2017	RM	RM	RM	RM
Group				
Trade and other payables	9,229,928	-	-	9,229,928
Company				
Trade and other payables	3,362,528	-	-	3,362,528
Restated				
As at 31 December 2016				
Group				
Trade and other payables	14,004,997	-	-	14,004,997
Company				
Trade and other payables	297,975	-	-	297,975

- (d) Trade and other payables are denominated in RM.

19. REVENUE

	Group		Company	
	2017	Restated 2016	2017	2016
	RM	RM	RM	RM
Sale of goods	17,348,933	6,272,269	-	-
Services rendered	9,947,768	11,281,078	-	-
Dividend income	-	-	-	1,610,000
	27,296,701	17,553,347	-	1,610,000

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

19. REVENUE cont'd

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 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) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group retains no continuing managerial involvement over the goods, which coincides with the delivery of goods, and acceptance by customers.

(b) Services rendered

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

(c) Dividend income

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

20. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit/(loss) before tax is arrived at:

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
After charging:				
Auditors' remuneration:				
- Statutory of the Company				
- Statutory audit	103,000	100,000	43,000	40,000
- Non statutory audit	5,000	5,000	5,000	5,000
- Other firm of auditors				
- Statutory audit	18,000	15,000	-	-
- Non statutory audit	40,000	-	-	-

20. PROFIT/(LOSS) BEFORE TAX cont'd

Other than those disclosed elsewhere in the financial statements, the profit/(loss) before tax is arrived at: cont'd

	Group Restated		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
After charging: (continued)				
Interest expense on:				
- term loan	31,124	34,541	-	-
- hire purchase creditor	5,388	4,364	-	-
Unrealised loss on foreign exchange	123,037	-	-	-
And crediting:				
Income distribution from short term funds	(559,722)	(1,016,395)	(535,405)	(910,870)
Interest income from finance lease	(770,390)	(146,699)	-	-
Unrealised gain on foreign exchange	-	48,271	-	-

21. DIRECTORS' REMUNERATION

	Group Restated		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company:				
Executive:				
Fees	60,000	302,440	-	-
Other emoluments	1,327,697	1,003,109	1,327,697	1,003,109
Non-Executive:				
Fees	174,000	145,500	150,000	122,500
Other emoluments	84,593	62,222	84,593	62,222
Total	1,646,290	1,513,271	1,562,290	1,187,831

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

21. DIRECTORS' REMUNERATION cont'd

Remuneration paid and payable to the Directors of the Company for the financial year, analysed into bands as follows:

	Number of Directors	
	Executive	Non-Executive
Below RM50,000	-	3
RM50,001 - RM100,000	-	1
RM100,000 - RM300,000	1	-
RM300,001 - RM600,000	1	-
	2	4

22. TAXATION

	Group		Company	
	2017	Restated 2016	2017	2016
	RM	RM	RM	RM
Current tax expense based on profit for the financial year				
- current year	716,536	143,240	-	-
- (over)/under provision in prior years	(97,402)	126,439	-	-
	619,134	269,679	-	-
Deferred tax (Note 17)				
- relating to origination and reversal of temporary differences	127,166	(4,703)	-	-
- (over)/under provision in prior years	(156,297)	1,590	-	-
	(29,131)	(3,113)	-	-
	590,003	266,566	-	-

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty - four percent (24%) (2016: twenty - four percent (24%)) of the estimated taxable profits for the fiscal year.

22. TAXATION cont'd

- (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	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	517,580	(176,501)	(369,848)	66,840
Tax effects in respect of:				
Non-allowable expenses	723,730	1,011,984	570,346	538,169
Non-taxable income	(279,505)	(243,936)	(200,498)	(605,009)
Tax exempt income under pioneer status	-	(118,898)	-	-
Tax saving arising from tax exemption on incremental chargeable income	(68,423)	-	-	-
Reduction in statutory rate tax rate on chargeable income up to RM500,000	-	(25,000)	-	-
Utilisation of previously unrecognised tax losses	(49,680)	(309,112)	-	-
	843,702	138,537	-	-
(Over)/Under provision of tax expense in prior years				
- income tax	(97,402)	126,439	-	-
- deferred tax	(156,297)	1,590	-	-
	590,003	266,566	-	-

- (c) In the previous financial year, a subsidiary of the Group has been awarded Customised Incentive and Conditions for 70% income tax exemption on statutory income derived from the Approved Business, pursuant to the Income Tax (Exemption) (No. 11) Order 2006 [PU(A)112/2006], for a period of five (5) years from the date of the first sales invoice of the new MSC Malaysia approved activities. As at 31 December 2017, the subsidiary is in the midst of complying MSC Malaysia requirements for the exemption given.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

23. EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per ordinary share for the financial year is calculated by dividing the profit/(loss) 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 statements.

	Group	
		Restated
	2017	2016
Profit/(Loss) attributable to equity holders of the parent	RM1,566,579	(RM1,001,985)
Weighted average number of ordinary shares	211,595,227	200,000,000
Basic earnings/(loss) per ordinary share (sen)	0.74	(0.50)

(b) Diluted

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

24. DIVIDENDS

Company	2017		2016	
	Dividend per share	Amount of dividend	Dividend per share	Amount of dividend
	Sen	RM	Sen	RM
Interim single tier dividend declared in respect of the financial year ended 31 December 2017/2016	1	2,000,000	1	2,000,000

25. 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.

25. OPERATING LEASE COMMITMENT cont'd

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

	Group	
	Restated	
	2017	2016
	RM	RM
Not later than one (1) year	40,860	38,820
Later than one (1) year and not later than five (5) years	33,560	23,820
	74,420	62,640

26. EMPLOYEE BENEFITS

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Salaries, wages, bonuses and allowances	4,467,278	4,915,785	663,169	383,566
Defined contribution plan	477,261	531,269	52,658	47,431
Other benefits	305,202	507,879	15,698	28,258
	5,249,741	5,954,933	731,525	459,255

27. 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) subsidiaries of the Company as disclosed in Note 6 to the financial statements;
- (ii) direct and indirect subsidiaries of the ultimate holding company, Sedania Corporation Sdn. Bhd.; and

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

27. RELATED PARTY DISCLOSURES cont'd

(a) Identities of related parties cont'd

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

(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	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Transactions with ultimate holding company				
Dividends paid	1,000,764	1,000,764	1,000,764	1,000,764
Transactions with a subsidiary:				
Advances given to a subsidiary	-	-	1,639,500	3,000,000
Dividends received	-	-	-	1,610,000
Management fees	-	-	1,200,000	-
Payments on behalf	-	-	-	4,222
Transactions with a related company				
Office rental	12,000	36,000	-	-

(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 of the Company.

27. RELATED PARTY DISCLOSURES cont'd

(c) Compensation of key management personnel cont'd

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

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Short term employees benefits				
- Directors	1,505,746	1,408,562	1,421,746	1,083,122
- Key management personnel	1,560,630	1,537,705	520,829	305,243
Contribution to defined contribution plan	291,225	236,215	179,616	141,250
	3,357,601	3,182,482	2,122,191	1,529,615

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

(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 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 2016 and 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

28. CAPITAL AND FINANCIAL RISK MANAGEMENT cont'd

(a) Capital management cont'd

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

	Group		Company	
	Restated			
	2017	2016	2017	2016
	RM	RM	RM	RM
Borrowings	747,764	845,065	-	-
Less:				
Cash and bank balances	(1,724,079)	(2,466,335)	(167,484)	(468,049)
Short term funds	(14,072,876)	(19,573,962)	(12,458,882)	(19,564,286)
Net cash	(15,049,191)	(21,195,232)	(12,626,366)	(20,032,335)
Total equity	32,729,228	25,162,649	42,278,418	37,819,450
Net debt-to-equity ratio	*	*	*	*

* *There is no debt-to-equity ratio available since the Group and the Company is in net cash positions.*

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for its shareholders 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.

(i) 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.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT cont'd

(b) Financial risk management cont'd

(i) Credit risk cont'd

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 60 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 8 to the financial statements.

(ii) Liquidity and cash flow risks

Liquidity risk is the risk that the Group is unable to service its cash obligations in the 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.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 14 and 18 to the financial statements respectively.

(iii) 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.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 14 to the financial statements.

(iv) 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 East Asia customers. These sales are priced in RM but invoiced in USD and IDR.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT cont'd

(b) Financial risk management cont'd

(iv) *Foreign currency risk cont'd*

The sensitivity analysis for foreign currency risk has been disclosed in Note 8 to the financial statements.

29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 27 February 2017, the Company entered into a share sale agreement ("SSA") with Sedania Corporation Sdn. Bhd. ("SedaniaCorp") to acquire the entire issue and paid up ordinary share capital of Sedania As Salam Capital Sdn. Bhd. ("SASC") for a purchase consideration of RM12,000,000 to be satisfied by a combination of cash amounting to RM4,000,000 and issuance and allotment of 25,806,452 new ordinary shares in the Company at an issue price of RM0.31 per unit ("Acquisition").

On 20 July 2017, the following has been completed for the Acquisition:

- (a) payment of RM1,000,000 has been made to SedaniaCorp;
- (b) the listing of 25,806,452 consideration shares on ACE Market of Bursa Securities on 20 July 2017; and
- (c) the Security of RM3,000,000 has been retained by the Company as Profit Guarantee pursuant to the SSA.

Following the Acquisition, SASC has become a wholly owned subsidiary of the Company.

30. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Based on the salient terms of the share sale agreement, Sedania Corporation Sdn. Bhd. ("SedaniaCorp") has given its guarantee and undertaking to the Company that the actual profit after tax of Sedania As Salam Capital Sdn. Bhd. ("SASC") for each of the financial years ended 31 December 2017 and 31 December 2018 shall not be less than RM1,500,000 respectively. For the financial year ended 31 December 2017, SASC has achieved profit after tax of RM1,611,158.

On 9 March 2018, the Company had released a sum of RM1,500,000 of the Cash Consideration which was retained by the Company as security for the purpose of the Profit Guarantee in relation to the Acquisition to SedaniaCorp.

31. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

31.1 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 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to MFRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to MFRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

31.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019

31. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs cont'd

31.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 cont'd

Title	Effective Date
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.

32. COMPARATIVES FIGURES

As described in Note 3 to the financial statements, the pooling of interest method of accounting was adopted by the Group in respect of the reorganisation exercise through the acquisition of SASC by the Company.

Accordingly, the results of the Group have been stated as if SASC have been combined with the Group throughout the current and previous financial years even though the SASC was only acquired on 20 July 2017. The comparative figures of the Group have been adjusted for the effects arising from using the pooling of interest method of accounting.

32. COMPARATIVES FIGURES cont'd

(a) Reconciliation of financial position as at 1 January 2016

	As previously reported RM	Adjustment RM	As restated RM
ASSETS			
Non-current assets			
Property, plant and equipment	4,368,619	63,177	4,431,796
Intangible assets	-	660,000	660,000
	4,368,619	723,177	5,091,796
Current assets			
Trade and other receivables	5,198,619	942,832	6,141,451
Short term funds	33,773,787	-	33,773,787
Cash and bank balances	388,668	267,972	656,640
	39,361,074	1,210,804	40,571,878
TOTAL ASSETS	43,729,693	1,933,981	45,663,674
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	20,000,000	-	20,000,000
Share premium	14,005,304	-	14,005,304
Reorganisation debit	(853,280)	(10,000,000)	(10,853,280)
Retained earnings	7,170,773	(2,158,163)	5,012,610
TOTAL EQUITY	40,322,797	(12,158,163)	28,164,634

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

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32. COMPARATIVES FIGURES cont'd

(a) Reconciliation of financial position as at 1 January 2016 cont'd

	As previously reported RM	Adjustment RM	As restated RM
LIABILITIES			
Non-current liabilities			
Borrowings	735,595	-	735,595
Deferred tax liabilities	87,932	-	87,932
	823,527	-	823,527
Current liabilities			
Trade and other payables	2,464,703	14,092,144	16,556,847
Borrowings	71,115	-	71,115
Current tax liabilities	47,551	-	47,551
	2,583,369	14,092,144	16,675,513
TOTAL LIABILITIES	3,406,896	14,092,144	17,499,040
TOTAL EQUITY AND LIABILITIES	43,729,693	1,933,981	45,663,674

(b) Reconciliation of financial position as at 31 December 2016

	As previously reported RM	Adjustment RM	As restated RM
ASSETS			
Non-current assets			
Property, plant and equipment	4,312,196	171,135	4,483,331
Finance lease receivable	3,075,485	-	3,075,485
	7,387,681	171,135	7,558,816

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

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32. COMPARATIVES FIGURES cont'd

(b) Reconciliation of financial position as at 31 December 2016 cont'd

	As previously reported RM	Adjustment RM	As restated RM
ASSETS cont'd			
Current assets			
Trade and other receivables	9,126,032	716,411	9,842,443
Finance lease receivable	759,983	-	759,983
Inventories	22,263	-	22,263
Short term funds	19,573,962	-	19,573,962
Cash and bank balances	2,064,255	402,080	2,466,335
	31,546,495	1,118,491	32,664,986
TOTAL ASSETS	38,934,176	1,289,626	40,223,802
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	20,000,000	-	20,000,000
Share premium	14,005,304	-	14,005,304
Reorganisation debit	(853,280)	(10,000,000)	(10,853,280)
Retained earnings	3,034,494	(1,023,869)	2,010,625
TOTAL EQUITY	36,186,518	(11,023,869)	25,162,649

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

31 DECEMBER 2017

32. COMPARATIVES FIGURES cont'd

(b) Reconciliation of financial position as at 31 December 2016 cont'd

	As previously reported RM	Adjustment RM	As restated RM
LIABILITIES			
Non-current liabilities			
Borrowings	661,251	86,513	747,764
Deferred tax liabilities	84,819	-	84,819
	746,070	86,513	832,583
Current liabilities			
Trade and other payables	1,800,971	12,204,026	14,004,997
Borrowings	74,345	22,956	97,301
Current tax liabilities	126,272	-	126,272
	2,001,588	12,226,982	14,228,570
TOTAL LIABILITIES	2,747,658	12,313,495	15,061,153
TOTAL EQUITY AND LIABILITIES	38,934,176	1,289,626	40,223,802

(c) Reconciliation of profit or loss and other comprehensive income for the financial year ended 31 December 2016

	As previously reported RM	Adjustment RM	As restated RM
Revenue	14,272,743	3,280,604	17,553,347
Other operating income	1,296,558	-	1,296,558
Advertisement and promotions	(1,110,215)	(59,600)	(1,169,815)
Cost of goods sold	(5,482,429)	(458,806)	(5,941,235)
Directors' remuneration	(1,187,831)	(325,440)	(1,513,271)
Employee benefits	(5,172,789)	(782,143)	(5,954,932)
Depreciation of property, plant and equipment	(1,037,390)	(47,051)	(1,084,441)
Other operating expenses	(3,414,923)	(467,802)	(3,882,725)
Finance costs	(34,353)	(4,552)	(38,905)

32. COMPARATIVES FIGURES cont'd

- (c) Reconciliation of profit or loss and other comprehensive income for the financial year ended 31 December 2016 cont'd

	As previously reported RM	Adjustment RM	As restated RM
Loss before tax	(1,870,629)	1,135,210	(735,419)
Taxation	(265,650)	(916)	(266,566)
Loss for the financial year	(2,136,279)	1,134,294	(1,001,985)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	(2,136,279)	1,134,294	(1,001,985)
Loss attributable to:			
Owners of the parent	(2,136,279)	1,134,294	(1,001,985)
Non-controlling interests	-	-	-
	(2,136,279)	1,134,294	(1,001,985)
Total comprehensive loss attributable to:			
Owners of the parent	(2,136,279)	1,134,294	(1,001,985)
Non-controlling interests	-	-	-
	(2,136,279)	1,134,294	(1,001,985)

LIST OF PROPERTIES

AS AT 31 DECEMBER 2017

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 2017 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	860,000	23 May 2011

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2018

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Total no. of Issued Shares : 225,806,452
 Class of Shares : Ordinary shares
 Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 MARCH 2018

Size of shareholdings	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Issued Capital
1 – 99	6	0.47	100	0.00
100 – 1,000	99	7.81	46,800	0.02
1,001 – 10,000	446	35.17	2,984,700	1.32
10,001 – 100,000	592	46.69	23,390,900	10.36
100,001 – 11,290,321 (less than 5% of Issued Shares)	122	9.62	59,501,060	26.35
11,290,322 and more than 5% of Issued Shares	3	0.24	139,882,892	61.95
TOTAL	1,268	100.00	225,806,452	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 MARCH 2018

No	Name	Direct	No. of Shares Held		
			%	Indirect	%
1.	Sedania Corporation Sdn. Bhd.	114,882,892 ⁽¹⁾	50.88	-	-
2.	Maybank Nominees (Tempatan) Sdn. Bhd. MAM DP Ltd for MAM PE Asia Fund I (Labuan) LLP	25,000,000	11.07	-	-
3.	Datuk Noor Azrin bin Mohd Noor	9,286,560	4.11	114,982,892 ⁽¹⁾	50.92

Notes:

(1) Deemed interested by virtue of Datuk Noor Azrin bin Mohd Noor's substantial interest in Sedania Corporation Sdn. Bhd. and his sibling, Noor Syafiroz bin Mohd Noor's direct interest in SIB.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 MARCH 2018

DIRECTORS' SHAREHOLDINGS AS AT 30 MARCH 2018

No	Name	Direct Interest	%	Indirect Interest	%
1.	Y. Bhg. Tan Sri Abdul Halim bin Ali	100,000	0.04	-	-
2.	Datuk Noor Azrin bin Mohd Noor	9,286,560	4.11	114,982,892 ⁽¹⁾	50.92
3.	Noor Syafiroz bin Mohd Noor	100,000	0.04	-	-
4.	Y. Bhg. Tan Sri Nuraizah binti Abdul Hamid	100,000	0.04	-	-
5.	Datuk Syed Izuan bin Syed Kamarulbahrin	100,000	0.04	-	-
6.	Lau Kin Wai	-	-	-	-

Note:

- (1) Deemed interested by virtue of Datuk Noor Azrin bin Mohd Noor's substantial interest in Sedania Corporation Sdn. Bhd. and his sibling, Noor Syafiroz bin Mohd Noor's direct interest in SIB.

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 MARCH 2018

(without aggregating the securities from different securities accounts belongs to the same person)

No.	Name	Holdings	% of Issued Capital
1.	Sedania Corporation Sdn. Bhd.	59,806,452	26.49
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Sedania Corporation Sdn. Bhd.</i>	55,076,440	24.39
3.	Maybank Nominees (Tempatan) Sdn Bhd <i>MAM DP Ltd For MAM PE Asia Fund I (Labuan) LLP</i>	25,000,000	11.07
4.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Noor Azrin Bin Mohd Noor (7002841)</i>	6,500,000	2.88
5.	Ding Huong Kai	4,300,000	1.90
6.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Ser Lay</i>	3,666,500	1.62
7.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. <i>Exempt An For UOB Kay Hian Pte Ltd (a/c Clients)</i>	3,139,400	1.39
8.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Universal Trustee (Malaysia) Berhad For CIMB Islamic Small Cap Fund</i>	2,690,200	1.19
9.	Noor Azrin Bin Mohd Noor	2,356,560	1.04

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 MARCH 2018

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THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 MARCH 2018 (cont'd)

(without aggregating the securities from different securities accounts belongs to the same person)

No.	Name	Holdings	% of Issued Capital
10.	Leong Yaw Fan	2,300,000	1.02
11.	Grup Buku Karangkrak Sdn. Bhd.	2,000,000	0.89
12.	Tan Ah Ba @ Tan Boon Leng	1,600,000	0.71
13.	Azlan Shah Bin Jaffril	1,582,000	0.70
14.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Maybank Trustees Berhad For CIMB-Principal Small Cap Fund (240218)</i>	1,488,300	0.66
15.	Sam Tuck Wah	1,300,000	0.58
16.	Mansor Bin Musa	928,700	0.41
17.	Mak Suet Chee	810,000	0.36
18.	Ang Kian Chun	800,000	0.35
19.	Goh Pei Kiat	595,000	0.26
20.	Seow Boon Siew	500,000	0.22
21.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CBHK PBGSGP For Sunnyvale Holdings Ltd</i>	473,300	0.21
22.	Mohd Azlan Bin Onn	466,600	0.21
23.	Sak Swee Seong	453,300	0.20
24.	Noor Azrin Bin Mohd Noor	430,000	0.19
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB Bank For Liaw Chin Seong (M51011)</i>	429,900	0.19
26.	Universal Trustee (Malaysia) Berhad TA Dana Fokus	420,000	0.19
27.	Lai Yoke Chor	400,000	0.18
28.	Ong Bok Lim	400,000	0.18
29.	Kok Leong Seyau	370,000	0.16
30.	Leong Chee Kong	368,000	0.16
TOTAL		180,650,652	80.00

NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth 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 Wednesday, 23 May 2018 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 2017 together with the Directors' and Auditors' Reports thereon. | Please refer to Explanatory Notes A |
| 2. | To approve the payment of Directors' fees payable to Non-Executive Directors of the Company up to an amount of RM150,000 from 24 May 2018 until the next AGM of the Company. | Resolution 1
Explanatory Note B |
| 3. | To approve the payment of benefits payable to Non-Executive Chairman and Non-Executive Directors up to an amount of RM94,000 from 24 May 2018 until the next AGM of the Company. | Resolution 2
Explanatory Note B |
| 4. | To re-elect the following Directors, who retire in accordance to Article 95 of the Company's Constitution, and being eligible, offer themselves for re-election: - | |
| | 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 Board of Directors to fix their remuneration. | Resolution 5 |

SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution as Ordinary Resolution.

Resolution 6
Explanatory Notes C

Ordinary Resolution

Authority to Allot and Issue Shares pursuant to Section 75 of the Companies Act, 2016 ("the Act")

" THAT subject to Section 75 of the Companies Act 2016 and approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any 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 issued pursuant to this resolution does not exceed 10% of the total number of issued share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall commence immediately upon the passing of this resolution and continue in force until the conclusion of the next Annual General Meeting of the Company in accordance with Section 76 of the Companies Act 2016."

ANY OTHER BUSINESS

7. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TIA HWEI PING (MAICSA 7057636)

Company Secretary
Selangor Darul Ehsan
25 April 2018

Notes:

- (i) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, vote and speak in his/her stead at the same meeting. A proxy may but need not be a member of the Company.
- (ii) Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

- (iii) 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.

- (iv) 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.
- (v) The instrument appointing a proxy shall be signed by the appointor or of his 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.
- (vi) 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 time set for holding the meeting or any adjournment thereof.
- (vii) For the purpose of determining 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 15 May 2018 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.
- (viii) Pursuant to 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of poll.

EXPLANATORY NOTES A:

The Audited Financial Statements in Agenda 1 is intended for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members and hence is not put for voting.

EXPLANATORY NOTES B:

Ordinary Resolution 1 – Directors' fees payable from 24 May 2018 up to the next AGM of the Company ("Relevant Period").

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 1, if passed will allow the Company to pay Directors' fees of RM5,000.00 per month to the Non-Executive Chairman and RM2,500.00 per month each to three (3) Non-Executive Directors from 24 May 2018 until the next AGM of the Company.

Ordinary Resolution 2 – Benefits payable from 24 May 2018 until the next AGM of the Company.

The benefits payable comprises meeting allowances, insurance coverage and travel expenses payable to the Non-Executive Chairman and Non-Executive Directors. In determining the estimated total amount of benefits payable to the Directors, the Directors considered various factors including the number of meetings for the Directors and Board Committees as well as the number of Directors involved in these meetings. The estimated amount of RM94,000.00 for the Relevant Period is derived from a total of RM74,000.00 for the financial year ending 31 December 2018 and RM20,000.00 for the period from 1 January 2019 until the next AGM in 2019. Payment of the benefits payable will be made by the Company on a monthly basis and/or as and when incurred if the proposed Ordinary Resolution 2 is passed at the AGM of the Company. The Directors are of the view that it is just and equitable for the Directors to be paid benefits payable on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

EXPLANATORY NOTES C:

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 per centum (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.

This is the renewal of the mandate obtained from the members at the last AGM ("the previous mandate"). For further information, please refer to the Statement Accompanying Notice of Annual General Meeting on page 131 in the Annual Report 2017.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

(a) Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the forthcoming Fourth Annual General Meeting (4th AGM) of the Company.

(b) 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

The Company has obtained the mandate from the members at the last AGM held on 15 May 2017 ("the Previous Mandate"). As at the date of this Notice, the Company did not exercise the previous mandate obtained at the last AGM and which will lapse at the conclusion of the 4th 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 utilised for funding future investment projects, working capital and/or acquisitions.



PROXY FORM

Proportion of holdings to be represented by each proxy	Proxy 1 %	Proxy 2 %
Total number of ordinary shares held		
CDS Account No.		

I/We (full name in capital letters) _____

NRIC/Company No. _____

of (full address) _____

being a member of the Company, hereby appoint _____

NRIC No./Passport No. _____ of (full address) _____

or failing whom, _____

NRIC No./Passport No. _____

of (full address) _____

or failing him/her "the Chairman of the Meeting as my/our" proxy to vote for me/us" on my/our" behalf at the 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 Wednesday, 23 May 2018 at 10.00 am, 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
1	To approve the payment of Directors' fees payable to Non-Executive Directors of the Company up to an amount of RM150,000 from 24 May 2018 until the next AGM of the Company.		
2	To approve the payment of benefits payable to Non-Executive Chairman and Non-Executive Directors up to an amount of RM94,000 from 24 May 2018 until the next AGM of the Company.		
3	To re-elect Tan Sri Abdul Halim Bin Ali as the director of the Company.		
4	To re-elect Tan Sri Nuraizah Binti Abdul Hamid as the director of the Company.		
5	To re-appoint Messrs. BDO as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
6	To authorise the Directors to issue and allot shares pursuant to Section 75 of the Companies Act 2016.		

(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 _____ 2018

Signature/Common Seal of Shareholder

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (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.
- Where a member of the Company appoints two (2) proxies, the member shall specify the proportion of his shareholdings to be represented by each proxy, failing which the appointments shall be invalid.
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.
- If the appointer 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.
- The instrument appointing a proxy shall be signed by the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or notarial-certified copy of that power of attorney or authority, shall be deposited at the 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 time set for holding the meeting or any adjournment thereof.
- For the purpose of determining 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 15 May 2018 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.
- Pursuant to 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by way of poll.

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AFFIX
STAMP
HERE

SEDANIA INNOVATOR BERHAD (1074350-A)

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

1st fold here



SEDANIA INNOVATOR BERHAD

(Company No. 1074350-A)

Level 10, Kelana Parkview Tower, Jalan SS6/2,
47301 Petaling Jaya, Selangor, Malaysia

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