



ANNUAL REPORT

SEDANIA INNOVATOR BERHAD

2020



WE ARE INNOVATORS.

**WE IMPROVE LIVES IN
A SUSTAINABLE MANNER.**



Cover Rationale

In 2019, we completed most of our internal R&D work and we now stand tall, eyeing the horizon as we plot our path forward.

In 2020, we chose this cover of a strong lighthouse weathering the raging sea and storm symbolising how we envision ourselves battling against the challenges of the unprecedented Covid-19 pandemic that hit the global citizen in 2020. Sedania will continue to stand tall and strong, riding the waves and fighting the current against rough seas by setting the highest benchmark in providing technological and digital solutions to the marketplace.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Datuk Noor Azrin Bin Mohd Noor
Managing Director

Datuk Noor Syafiroz Bin Mohd Noor
Executive Director

Datuk Syed Izuan Bin Syed Kamarulbahrin
Independent Non-Executive Director

Norliza Binti Kamaruddin
Independent Non-Executive Director

Lau Kin Wai
Independent Non-Executive Director

COMPANY SECRETARIES

Chua Siew Chuan
(SSM PC No.: 201908002648 / MAICSA 0777689)
Cheng Chia Ping
(SSM PC No.: 202008000730 / MAICSA 1032514)

AUDIT & RISK MANAGEMENT COMMITTEE

Datuk Syed Izuan Bin Syed Kamarulbahrin, (Chairman)
Tan Sri Abdul Halim Bin Ali
Norliza Binti Kamaruddin

NOMINATION COMMITTEE

Tan Sri Abdul Halim Bin Ali, (Chairman)
Datuk Syed Izuan Bin Syed Kamarulbahrin
Norliza Binti Kamaruddin

REMUNERATION COMMITTEE

Norliza Binti Kamaruddin, (Chairperson)
Tan Sri Abdul Halim Bin Ali
Datuk Syed Izuan Bin Syed Kamarulbahrin

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur
Wilayah Persekutuan

Tel : (603) 2084 9000
Fax : (603) 2094 9940

CORPORATE OFFICE

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

Tel No : (603) 7880 2001
Fax No : (603) 7880 6001

AUDITORS

BDO PLT
(LLP0018825-LCA & AF 0206)
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan

Tel No : (603) 2616 2888
Fax No : (603) 2616 3190

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No 8, Jalan Kerinchi, 59200 Kuala Lumpur
Wilayah Persekutuan

Tel : (603) 2783 9299
Fax : (603) 2783 9222

PRINCIPAL BANKERS

RHB Islamic Bank Berhad

STOCK EXCHANGE LISTING

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

WEBSITE

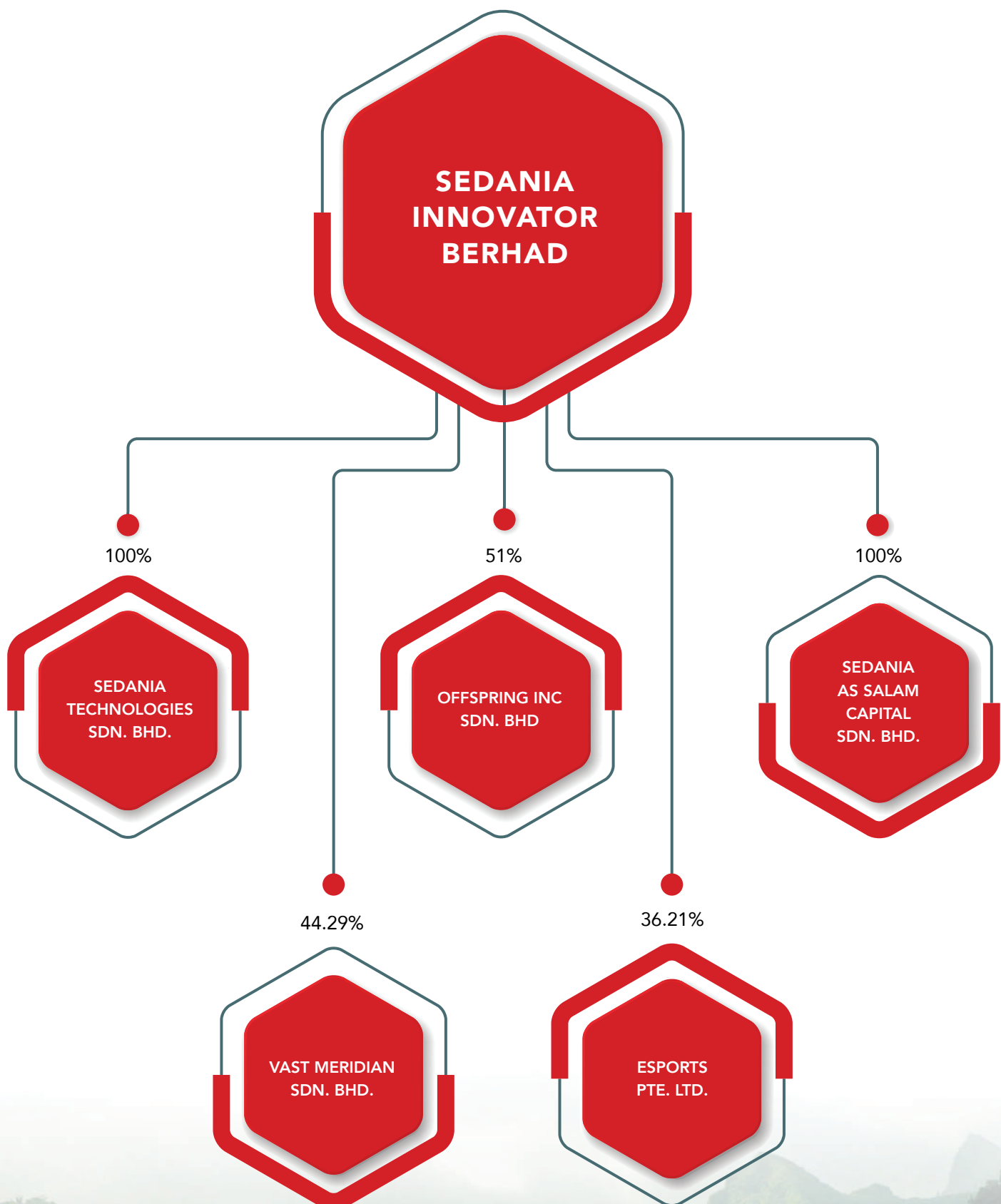
www.sedaniainnovator.com

EMAIL

info@sedaniainnovator.com

CORPORATE STRUCTURE

As at 30.4.2021



CORPORATE MILESTONES

2004

Incorporated IDOTTV Sdn. Bhd. to develop media content. Ventured into mobile technology and innovation.

Signed a Collaboration Agreement with Celcom for the provision of Celcom Airtime Sharing services.

2005

Commercially launched Celcom Airtime Request services, a peer-to-peer (P2P) platform that allows mobile credit transfer.

2006

MSC Malaysia status granted by MDEC in recognition of the Company's continuous growth in ICT-related business.

2008

Reached 300,000 daily transactions for Airtime Sharing service with Celcom. Renewal of agreement with Celcom for the continuous provision of the Celcom Airtime Sharing services.

2011

Conceptualised an eco-friendly mobile application – GreenBilling®.

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

2012

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

Winner of WITSA *Global ICT Excellence Awards (Montreal) – Sustainable Growth Awards for GreenBilling® Application*.

2013

Selected for the TERAS program under TERAJU. Signed an agreement with Rayyan Global for provision of Airtime Sharing Solutions to Maxis subscribers.

Founded Sedania Innovator Bhd. ("SIB"), investment holding company. Became the provider of Airtime Sharing Solutions to subscribers of Robi Axiata in Bangladesh.

2014

Airtime Sharing with Robi Axiata and Maxis is commercially launched.

Received an award from *Celcom Digital Service for Highest Growth Service for Airtime Sharing Celcom 2013*.

Conceptualised and introduced application based Airtime Sharing for multiple MNOs. Launched the beta version of GreenBilling® Application. Launched the Credit SOS with Celcom.

2015

Selected under Syarikat Skim Jejak Jaya Bumiputera (SJJJB) programme. Signed Supplemental Agreement with Celcom for the provision of Celcom Airtime Sharing and Request services until 2020.

2016

IDOTTV signed a Strategic Partnership Agreement with Matrix Energy Sdn. Bhd. ("MESB") for the provision of Green Technology Solutions for 100 sites located in MESB client, with a contract value of RM8.4 million for a period of four (4) years. Subsequently, received a certificate of grant of patent from Perbadanan Harta Intelek Malaysia (MyIPO) for the invention titled "Telecommunication Airtime Transfer and Request System And Method" (Patent Number MY-159743-A). IDOTTV also signed a Strategic Partnership Agreement with Iscada Net Sdn. Bhd. for delivery of Internet of Things (IoT) Fire Safety Solutions under Sistem Pengawasan Kebakaran Automatik for Jabatan Bomba dan Penyelamat Malaysia for a period of five (5) years.

2017

Sedania Group ventured into financial technology (FinTech) services, acquiring 100% equity interest in Sedania As Salam Capital Sdn. Bhd. ("SASC") to provide Islamic FinTech solutions.

2018

IDOTTV signed a Strategic Partnership Agreement with MESB to design, install, and commission Energy Saving Devices and provision of other solutions designed to reduce energy consumption for a telecommunication company in Malaysia.

2019

IDOTTV rebranded to Sedania Technologies Sdn. Bhd. ("STSB"). Acquired 44.29% equity interest in Vast Meridian Sdn. Bhd. ("VMSB"). Acquired 42.55% equity interest in Esports Pte. Ltd ("ESPL").

2020

Expansion into health technologies with proposed acquisition of Offspring Inc. Sdn. Bhd., in a move to diversify and complement its existing core business.

ABOUT US

Sedania Innovator Bhd. is a homegrown catalyst for the development of technology portfolios. Throughout its 16-year evolution, the Company's diversified portfolio and innovative business strategies has proved to be agile and nimble in addressing the constant shifts of market directions. Over the years, the Company has embarked on various exciting tech journeys involving innovative solutions, turning it into a full-fledged innovation house today.

FinTech

Sedania As Salam Capital Sdn. Bhd. is our FinTech subsidiary. The business unit is actively involved in nurturing and growing local Islamic FinTech landscape. It serves as a technology provider to empower financial institutions in bridging the digital gap.



GreenTech

Part of Sedania Technologies Sdn. Bhd., our greentech business unit delivers world-class energy saving solutions, using the most effective and sustainable technologies in reducing carbon emissions via energy efficiency (EE) and renewable energy (RE).



IoT

Sedania Technologies Sdn. Bhd. also amalgamates our IoT segment. The business unit focuses on cloud-connected smart device solutions that caters to the challenges of urban living, making it easily programmable and customisable targeted for different market and consumers.



TelcoTech

Telcotech is a segment under Sedania Technologies Sdn. Bhd. Previously known as "Sharing Platform", we ventured into mobile technology innovation during our early years, marking the birth of our first P2P Intellectual Proprietary of Airtime Sharing (ATS) service.



Esports

Esports Pte Ltd, provides a global Esports tournament and platform - Esports Players League ("ESPL"), with a focus on grassroots gamer community and digital interactivity through international partnerships.



OUR DIRECTORS



**Tan Sri Abdul
Halim Bin Ali**

Senior Independent
Non-Executive Chairman



**Datuk Noor Azrin
Bin Mohd Noor**

Managing Director



**Datuk Syed
Izuan Bin Syed
Kamarulbahrin**

Independent
Non-Executive Director



**Datuk Noor Syafiroz
Bin Mohd Noor**

Executive Director



**Norliza Binti
Kamaruddin**

Independent
Non-Executive Director



Lau Kin Wai

Independent
Non-Executive Director

OUR MANAGEMENT



**Daniel Bernd
Ruppert**

Chief Executive Officer



**Rizalzin Hashim
Bin Mohammed**

Chief Financial Officer



**Razam Bin
Mohd Rashid**

Chief Technology Officer



**Khairul Nisa
Binti Ismail**

Chief Executive Officer,
Sedania As Salam Capital Sdn. Bhd.

FINANCIAL CALENDAR

For Financial Year Ending 31 December 2020



SHARE PERFORMANCE



Year High :	RM0.27 on 13 January 2020
Year Low :	RM0.085 on 19 March 2020
Highest Trading Volume :	33,535,500 on 13 July 2020
Year End Close :	RM0.145
Market Capitalisation As At 31 December 2020:	RM43.82 Million

FINANCIAL HIGHLIGHTS

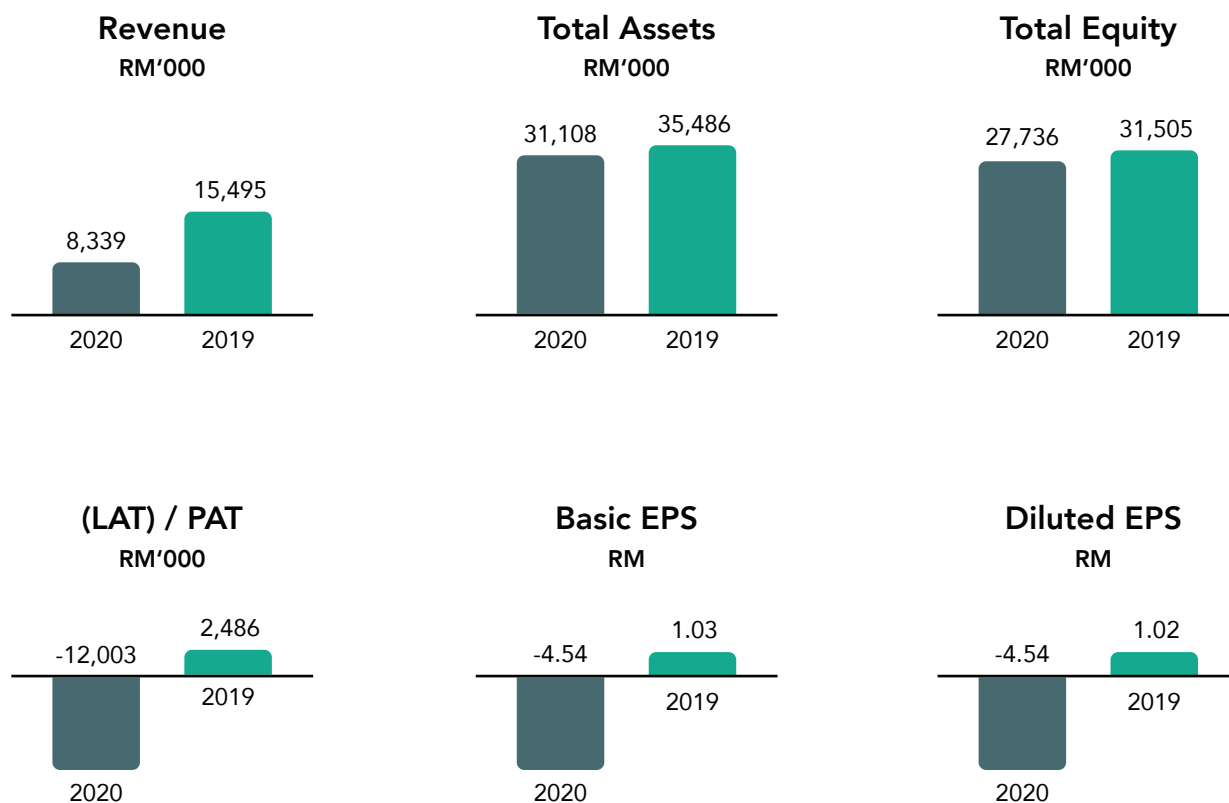
Highlights of our Group's financial information for the past five (5) financial years

RESULTS (RM'000)	2016	2017	2018	2019	2020
Revenue	17,553	27,297	12,343	15,495	8,339
(Loss)/Profit Before Taxation	(735)	2,157	(4,313)	2,949	(11,555)
(Loss)/Profit After Taxation	(1,002)	1,567	(4,357)	2,486	(12,003)
(Loss)/Profit For The Year Attributable to Equity Holders	(1,002)	1,567	(4,357)	2,486	(12,003)

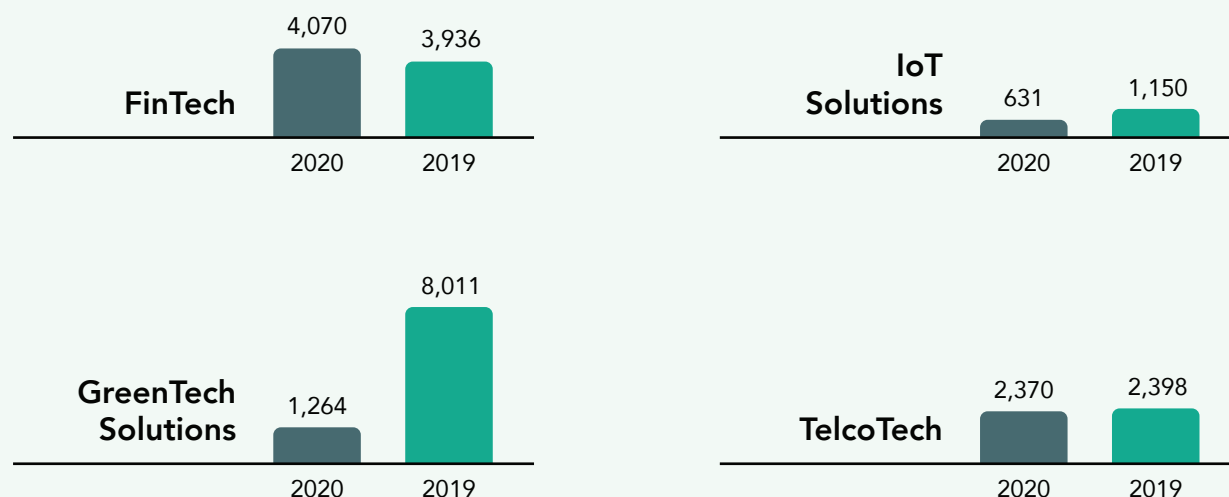
STATEMENT OF FINANCIAL POSITION (RM'000)	2016	2017	2018	2019	2020
Total assets	40,224	43,351	33,168	35,486	31,108
Total shareholders' equity	25,163	32,729	26,326	31,505	27,736
Total liabilities	15,061	10,622	6,842	3,981	3,371

FINANCIAL STATISTICS	2016	2017	2018	2019	2020
(LBT)/PBT Margin (%)	(4.19)	7.90	(34.94)	19.03	(138.57)
(LAT)/PAT Margin (%)	(5.71)	5.74	(35.30)	16.05	(143.94)
Number of Shares (Units)	200,000,000	225,806,452	225,806,452	248,387,052	302,191,652
Basic (Loss)/Earnings Per Share (RM)	(0.005)	0.007	(0.019)	0.010	(0.040)

KEY PERFORMANCE HIGHLIGHTS



SEGMENT REVENUE (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS ("MDNA")

OVERVIEW OF GROUP'S BUSINESS

2020 has been uncertain for many businesses and corporations, as the Novel Coronavirus infection ("COVID-19") stifled our economies with no precedence that we can use as reference. It is a most challenging year for everyone, as the global demand and supply chain has been disrupted by the worldwide lockdowns and travel restrictions. That said, this eventful year has not stopped us from building resilience, quickly adapting to the changing environment.

While navigating through these challenges, we strive to not only remain relevant to our community, but also to constantly push beyond our limits to deliver values to all our shareholders. As a full-fledged innovation house, we aim to be the preferred strategic technology partners in bringing our community to the forefront of technology through sustainable innovation.

Our value creation strategy focuses on providing innovations that empower lives sustainably through businesses that are consistently rendering maximum values to the community we serve while satisfying fast-changing user behaviour, turning it into our competitive edge. We specialise innovations in the following business verticals:

(a) Financial Technology ("FinTech")

Our FinTech offering empowers financial institutions with Islamic FinTech solutions and has served over 71 financial institutions in the country. With our proprietary FinTech software platform called As-Sidq as its core offering, is a patented Shariah compliant digital commodity trading platform that facilitates secure, real-time and anytime brokerage of digital commodities for financial institutions' Tawarruq (commodity murabahah) requirements. Our As-Sidq offering is complemented with a collaborative suite of composite banking and finance capabilities that further enable and accelerate financial institutions' digital readiness to complete its Islamic FinTech ecosystem of solutions.

(b) Green Technology ("GreenTech") solutions

Our GreenTech segment's core mission is to minimise the environmental impact on our carbon footprints by helping corporations to adopt green technology through its energy-saving and renewable energy solutions. The adoption of our energy-saving technologies is based on a zero-CAPEX, profit-sharing model called the Energy Performance Contract ("EPC"). Another segment of our GreenTech solution includes sustainable technologies in reducing carbon emissions via energy efficiency (EE) and renewable energy (RE).

(c) Internet of Things ("IoT") solutions

Our IoT unit provides devices and software that enables collection of data and interaction between objects and people, commonly known as IoT. These solutions comprise of sensors, processes, connectivity and software. Sedania has specialised on Smart Building IoT, in particular fire safety, people and asset tracking, as well as behavioural analytics.

(d) Telco Technology ("TelcoTech")

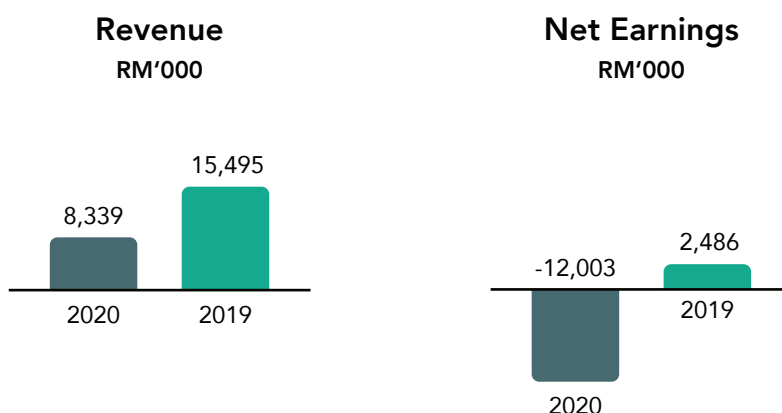
Formerly known as Sharing Platform, the TelcoTech segment markets and operates digital platforms and services to the telecommunication industry. These include its proprietary Sharing Platform, as well as AI-powered Chatbot Platform, which delivers content and digital services to its subscribers. Our Airtime Sharing platform is well-rooted as the most relevant peer-to-peer service with tens of thousands sharing transactions per day – all going through our in-house Application Programming Interface ("API") platform offered via multiple channels.

The businesses of IoT, GreenTech, and TelcoTech are carried out via Sedania Technologies Sdn. Bhd. ("STSB") while FinTech is carried out via Sedania As Salam Capital Sdn. Bhd. ("SASC").

In addition to focusing on our core businesses in STSB and SASC, we also seek to develop other strategic investment projects to enhance income stream and maximise shareholder's value. As at 31 December 2020, the Company owns 44.29% equity interest in Vast Meridian Sdn. Bhd. ("VMSB") and 36.21% in Esports Pte. Ltd. ("ESPL").

Our strategic objective is to build a sustainable organisation where we will continue to drive operational efficiencies to remain relevant to the agenda of our clients while creating growth opportunities for our employees and generating returns for our investors.

2020 OVERVIEW



- Since the middle of March 2020, the global economy has experienced unprecedented disruption due to the COVID-19 pandemic. As part of our response to the COVID-19 pandemic, we followed our business continuity processes, led by regular meetings of our executive management team, to ensure consistent health and safety approach across the Group. Our executive management has also been in regular contact with our Board of Directors.
- Most employees of the Group continue to work remotely from their homes, using technology that allows them to collaborate with customers and each other. The Group continues to act based on health and safety guidance from Ministry of Health, National Security Council, relevant governmental agencies and evolving best practices.
- In 2020, we generated Group revenue of RM8.34 million, compared to RM15.50 million in 2019. The 46.18% year-on-year change was largely attributable to lower revenue contributions from GreenTech and IoT.
- Operationally, the business of FinTech and TelcoTech were largely unaffected from the COVID-19 related containment measures and continues to be fully operational due to their digital-based infrastructure.
- On the other hand, the GreenTech segment was impacted from the Government enforced movement restrictions and stay-at-home orders as a result of COVID-19 pandemic, with our installations and service work planned for the year having been delayed or deferred. In addition, there were no new GreenTech project opportunities in 2020 compared to 2019.
- Financially, the COVID-19 pandemic impacted our judgment and assumptions used in preparation of the financial statements for the FYE 2020, in particular for expected credit losses ("ECL") of financial assets and impairment assessments of other assets. A RM7.26 million impairment loss was recognised in 2020 for expected credit losses associated with changes in credit risk relating to trade and lease receivables.
- The combined effects of the reduced activity for the GreenTech segment, impairment loss on receivables and other one-time costs recognised in the year resulted in the recognition of a 2020 net loss of RM12.00 million. This compares to net earnings of RM2.49 million in 2019.

SUMMARY RESULTS

The following table shows a summary of the results of operations for the year ended 31 December 2020 as compared with the same period in 2019 as derived from the accompanying audited consolidated financial statements.

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Revenue	8,339	15,495	(46.18%)
Other income	1,784	7,709	(76.86%)
Cost of sales	(2,724)	(8,214)	(66.84%)
Administrative and operating expenses	(17,503)	(10,620)	64.81%
Depreciation	(784)	(1,176)	(33.33%)
(Loss) / Profit from operations	(10,888)	3,194	(>100%)
Finance costs	(35)	(74)	(52.70%)
Share of results in associate, net of tax	(633)	(171)	>100%
(Loss) / Profit before taxation	(11,556)	2,949	(>100%)
Taxation	(447)	(463)	(3.43%)
(Loss) / Profit after tax	(12,003)	2,486	(>100%)

(i) Group's Revenue and Other Income

Total revenues in 2020 were RM8.34 million, a decrease of RM7.16 million or 46.18% against RM15.50 million in 2019, largely attributable to lower revenue contributions from GreenTech and IoT, as indicated below:

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
FinTech	4,070	3,936	3.40%
IoT Solutions	631	1,150	(45.13%)
GreenTech Solutions	1,264	8,011	(84.22%)
TelcoTech	2,370	2,398	(1.17%)
Others	4	-	100%
Total revenue	8,339	15,495	(46.18%)

While the FinTech segment increased in revenue by RM0.13 million or 3.40%, this increase was offset by a RM6.75 million or 84.22% decrease in revenue from the GreenTech segment and a RM0.52 million or 45.13% decrease from the IoT segment. Likewise, the TelcoTech revenue decreased marginally by RM0.03 million or 1.17% lower compared to 2019.

Further detail on the year-on-year segmental variance and analysis is discussed under the next section of this MDNA, "Review of Operating Segments".

Our other income in 2020 of RM1.78 million, was generally lower compared to RM7.71 million in 2019, largely due to non-recurring items such as litigation settlements and waiver of creditor balances that occurred in the previous year.

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Finance lease interest income	1,387	1,158	19.74%
Gain on lease modification	11	-	100%
Interest income from short term deposits	178	348	(48.86%)
Litigation settlement	-	1,961	(100%)
Other income	65	7	>100%
Penalty for late payment	142	75	89.33%
Reversal of impairment loss on receivables	1	1,798	(99.92%)
Waiver of creditor balance	-	2,362	(100%)
Total other income	1,784	7,709	(76.86%)

(ii) Cost of Sales

We defined cost of sales as the amount we pay to third parties for expenses associated with development, production and delivering our solutions.

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Cost of sales	2,724	8,214	(66.84%)

Cost of sales in 2020 decreased by RM5.49 million or 66.84% to RM2.72 million compared to RM8.21 million in 2019, in line with the reduction in total revenue.

(iii) Administrative and Operating Expenses

Full-year administrative and operating expenses increased by RM6.88 million or 64.81%, from RM10.62 million in 2019. The below table shows the breakdown of the administrative and operating expenses for 2020 and 2019.

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Advertisement and promotions	212	386	(45.10%)
Corporate exercise	489	-	100%
Directors' remuneration	1,768	1,868	(5.34%)
Employee benefits	4,928	5,265	(6.40%)
Share option expense	702	141	>100%
Impairment loss on trade and finance lease receivables	7,260	523	>100%
Impairment loss on other receivables	350	-	100%
Impairment loss on investments in associates	443	-	100%
Other operating expenses	1,351	2,437	(44.56%)
Total administrative and operating expenses	17,503	10,620	64.81%

The movements in the total administrative and operating expenses were mainly due to the following key drivers:

1. Advertising and promotions decreased by 45.10% in 2020 due to lower spending on product and digital marketing;
2. Corporate exercise expenses of RM0.49 million were pursuant to relevant costs for the proposed acquisition of Offspring Inc. Sdn. Bhd. such as legal, reporting accountants, independent market researcher, principal and independent advisers' fees;
3. Directors remuneration is comparable with the previous year, but decreased marginally by 5.34% in 2020. Directors remuneration includes directors' fees, non-executive directors' meeting allowances, executive directors' salaries and contribution to defined contribution plans;
4. Employee benefit expenses include salaries, wages, bonuses, allowances, defined contribution plan and related benefits. Employee benefits expenses decreased marginally by 6.40% in 2020; and
5. Other operating expenses decreased by 44.54% from prior year reflects our focus on reducing costs in response to the COVID-19 pandemic, and partly due to lower general office expenses as a result of various types of pandemic countermeasures implemented by the Government such as movement restrictions for inter-state and inter-district travelling, and temporary office closures to curb the spiking of COVID-19 spread.

During the year, we recognised the following non-cash expenses:

1. Share option expense arises from the Employee's Share Option Scheme ("**ESOS**") granted to eligible employees of the Group and the Company. The expense for share option is calculated using fair value method based on Black-Scholes model using various assumptions. In 2020, the share option expense was higher than 2019 due to an increase in the number of ESOS option granted during the year. A total of 54.0 million options have been granted to the eligible employees of the Group, with approximately 39.3 million number of options have been exercised in 2020;
2. The Group made an impairment on certain trade and finance lease receivables of RM7.26 million during the year compared to RM0.52 million in 2019. The Group recognised higher provision for impairment associated with changes in credit risk relating to trade and lease receivables, and has concluded that the provision for impairment is adequate and reasonable as at the end of the financial year;
3. Impairment loss on other receivables of RM0.35 million in relation to an unsuccessful collection of past GST input tax claim from Royal Malaysian Customs Department; and
4. The Group also recognised impairment of investment in associates totalling to RM0.44 million.

(iv) Depreciation

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Depreciation of property, plant and equipment	462	846	(45.40%)
Depreciation of right-of-use assets	322	330	(2.42%)
Total depreciation	784	1,176	(33.30%)

Depreciation of property, plant and equipment in 2020 decreased by 45.40% compared to 2019.

Depreciation of right-of-use assets decreased by 2.42% compared to 2019. This relates to adoption of MFRS 16 *Leases* standard where the Group recognises right-of-use assets ("**ROU**") and lease liabilities for all lease contracts such as rental of office premises, server co-locations, data center hosting services and hire purchase in our balance sheet. Depreciation on the ROU and interest expense on the lease liabilities are recognised in the income statement.

(v) Finance Costs

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 expense related to lease liabilities.

Our finance cost decreased by 52.70% from RM0.07 million in 2019 to RM0.04 million in 2020. Lower average long-term debt outstanding and lower lease liabilities resulted in lower interest expense.

The weighted average effective interest rate of borrowings of the Group is 4.25% (2019: 4.45%) per annum for term loan and 3.04% (2019: 4.24%) for lease liabilities.

(vi) Share of Results in Associate, Net of Tax

Share of results in associate, net of tax in 2020 includes the Group's share in net loss of VMSB and ESPL.

Sedania's equity interest in VMSB was 44.29% as at FYE 2020 (FYE 2019: 44.29%).

Sedania's equity interest in ESPL was 36.21% as at FYE 2020 (FYE 2019: 42.55%). In 2020, ESPL increased its share capital to 4.35 million number of shares from 2.35 million number of shares, thus diluting Sedania's equity investment in ESPL to 36.21% from 42.55% in FYE 2019.

The associates are accounted for using the equity method in the consolidated financial statements.

(vii) Loss Before Tax (LBT) and Loss After Tax (LAT)

LBT and LAT for FYE 2020 were RM11.56 million and RM12.00 million respectively, as compared to pre and post-tax profit of RM2.95 million and RM2.49 million in the FYE 2019.

The combined effects of the lower revenue, higher impairment loss on receivables and other one-time costs recognised in the year resulted in the recognition of the LBT and LAT positions in 2020.

STATEMENTS OF FINANCIAL POSITION

	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Total current asset	23,096	24,063	(4.02%)
Total non-current asset	8,012	11,423	(29.86%)
Total Assets	31,108	35,486	(12.34%)
Total current liabilities	2,471	3,056	(19.14%)
Total non-current liabilities	900	925	(2.70%)
Total Liabilities	3,371	3,981	(15.32%)
Total Shareholders' Equity	27,736	31,505	(11.96%)
Total number of shares issued, '000	302,192	248,387	6.47%
Net tangible assets per share (RM)	9.18	12.68	(27.60%)

(i) Assets

Our total assets decreased by 12.34% to RM31.11 million from RM35.49 million as at 31 December 2020 mainly due to lower current and non-current asset.

Trade and other receivables decreased by 15.45% to RM9.47 million during the financial year mainly due to higher impairment loss allowance on certain trade receivables accounted in the financial year, in particular from our GreenTech segment.

Likewise, lease receivables in current asset decreased by 59.24% to RM0.68 million against FYE 2019 mainly due to the impact of higher loss allowance accounted for on lease receivables during the year.

(ii) Liabilities

Our total liabilities decreased by 15.32% to RM3.37 million from RM3.98 million as at 31 December 2020. The reduction in total liabilities is mainly driven by reduction in trade and other payables of RM0.54 million or 20.58% as compared to previous year.

As at 31 December 2020, our Group had outstanding borrowings and lease liabilities of approximately RM1.26 million (2019: RM1.33 million).

(iii) Shareholders' Equity

Total equity attributable to owners of the Company as at 31 December 2020 decreased to RM27.74 million as compared to RM31.51 million as at 31 December 2019.

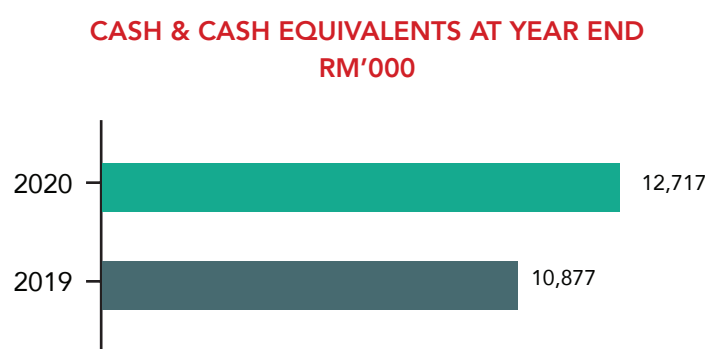
During the year, the Company completed listing and quotations of ESOS exercises and a private placement, resulted in the increase in the share capital from RM44.56 million to RM52.90 million.

	No. of Shares	RM'000
As at 1.1.2020	248,387,052	44,557
Ordinary shares issued pursuant to the ESOS	39,304,600	6,424
Ordinary shares issued pursuant to the Private Placement	14,500,000	1,914
As at 31.12.2020	302,191,652	52,895

(iv) Net Tangible Assets (NTA) Per Share

NTA per share as at 31 December 2020 was RM0.09, a reduction of approximately 27.60% from the NTA of RM0.13 per share in the prior year.

LIQUIDITY



Cash and cash equivalent of the Group increased by 16.92%, equivalent to RM1.84 million during the year compared to FYE 2019, culminating from the following cash flow activities:

Net cash (used in)/ generated from	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Operating activities	(5,168)	(2,241)	>100%
Investing activities	(200)	(2,186)	(90.85%)
Financing activities	7,207	2,108	>100%
Increased/(Decreased) in cash & cash equivalents	1,839	(2,319)	(>100%)
Cash & cash equivalent at end of financial year	12,717	10,877	16.92%

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

- (i) Net cash used in operating activities was RM5.17 million in FYE 2020 compared with RM2.24 million in FYE 2019. The increase was primarily due to higher cash used for working capital particularly for our GreenTech segment, compared to FYE 2019.
- (ii) Net cash used in investing activities was RM0.20 million in FYE 2020 as compared to RM2.19 million in FYE 2019. During the year the Company had invested further into its associate company, ESPL for a total sum of RM0.18 million following ESPL's increase in its share capital exercise. The Group also spent approximately RM0.05 million on purchase of property, plant and equipment during the year. The cash used in investing activities were partially offset by income distribution received from short term funds of RM0.18 million.
- (iii) Net cash from financing activities was RM7.21 million in FYE 2020 compared to net cash from financing activities of RM2.11 million in FYE 2019. The major increase was due to cash received from the ESOS exercise and a private placement of RM7.53 million, offset by repayments of term loan, hire purchase creditor and lease liabilities.

On the basis of current cash and cash equivalents, and cash generated from our operations, we believe we have the capital resources and liquidity necessary to meet our commitments, support operations, finance capital expenditures and will be sufficient to fund our projected cash requirements for the next 12 months.

DIVIDEND

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

We monitor the operating results of our business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

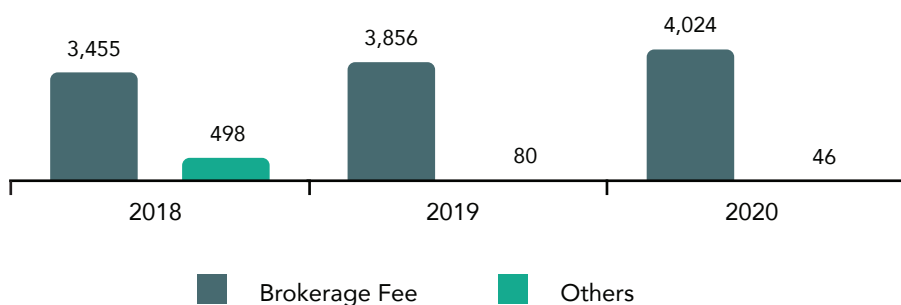
Common operating expenses/indirect cost are allocated on a reasonable basis to each segment for whose benefit the expense was incurred. Cost and expenses incurred in the holding company are managed on group basis and are allocated to "Investment holding".

Summary of reportable segments	FYE 2020 RM'000	FYE 2019 RM'000	Change (+/-)
Segment revenue			
FinTech	4,070	3,936	3.40%
IoT Solutions	631	1,150	(45.13%)
GreenTech Solutions	1,264	8,011	(84.22%)
TelcoTech	2,370	2,398	(1.17%)
Others	4	-	100%
Total revenue	8,339	15,495	(46.18%)
Segment operating (loss) /profit before tax			
FinTech	728	829	(12.18%)
IoT Solutions	(1,813)	3,729	(>100%)
GreenTech Solutions	(7,536)	775	(>100%)
TelcoTech	186	801	(76.78%)
Investment holding	(3,120)	(3,185)	(2.04%)
Operating (loss) / profit before tax	(11,555)	2,949	(>100%)

FinTech

FinTech revenue increased by RM0.13 million or 3.40% to RM4.07 million from RM3.94 million in FYE 2019.

FinTech revenue RM'000



Our As-Sidq transactions revenue were lower in March 2020 before started to pick up again in late April to early May 2020. Most of our clients did not process any personal financing applications during that period as a result of Government enforced movement restrictions and stay-at-home orders associated with the COVID-19 pandemic.

The segment processed 122,067 successful commodity trade performed under its As-Sidq platform in FYE 2020, compared to 105,979 successful commodity trade performed in FYE 2019.

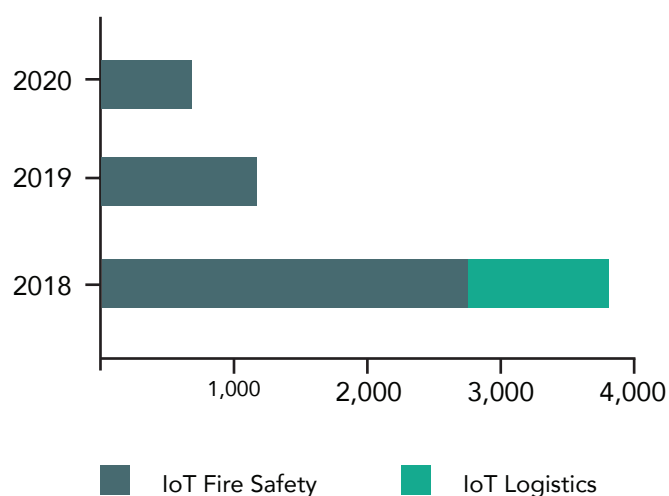
Nevertheless, the segment posted an operating profit before tax of RM0.73 million, a 12.18% lower than 2019.



IoT

The IoT segment generated revenue of RM0.63 million, as compared to RM1.15 million in 2019. The RM0.52 million or 45.13% decrease was due, in part, to the completion of its fire safety solutions for BOMBA SPKA Project that contributed significant revenue to the 2018 and 2019 results.

IoT revenue, RM'000



Since FYE 2018, the Group had focused its resources into R&D developments of new IoT solutions for domestic fire safety device using home network infrastructure (routers, extenders and other home networking devices). This IoT product called "ASAP" – Always Safe Always Protected" Smart Fire Alarm has started to receive small orders from overseas clients in Thailand and Singapore in 2020.

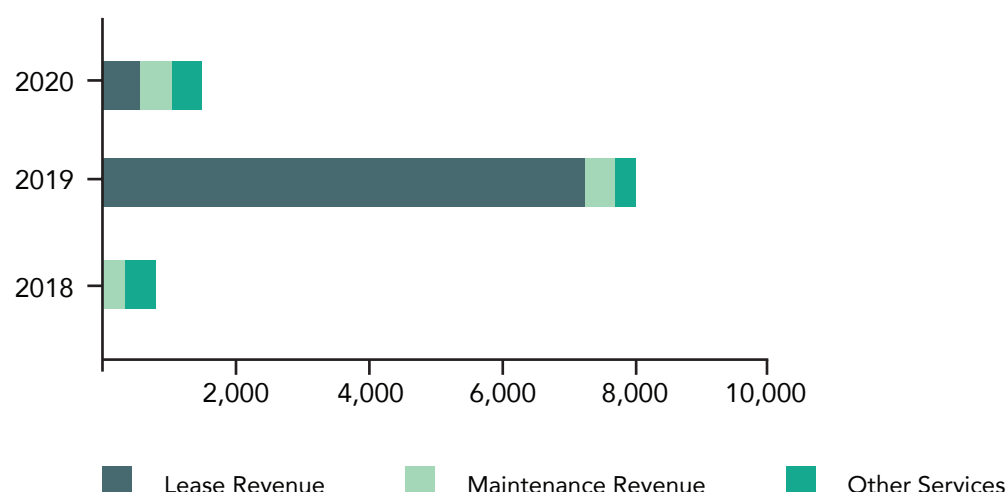
The segment incurred a segment operating loss before tax of RM1.81 million in 2020, as compared to segment operating profit of RM3.73 million in 2019. The segment recognised additional non-cash impairment charges of RM0.29 million in respect of its trade receivables for IoT Logistics client. Common operating expenses allocated on a reasonable basis to this segment in 2020 amounted to RM1.46 million. In comparison, the segment recorded a better result in 2019 due to one-off litigation settlement received amounting to RM1.96 million and waiver of creditor balance of RM2.04 million from its legal suit against a creditor which were recognised as other income in 2019.

GreenTech

GreenTech generated revenue of RM1.26 million in FYE 2020 compared to RM8.01 million in FYE 2019. The RM6.75 million or 84.22% year-on-year change primarily reflects impact to the Group related to the Government movement restrictions and stay-at-home order. As a result, our Greentech installations and service work for a major telecommunication client premises that have been planned for the year were delayed or deferred.

In addition, there were no new GreenTech project opportunities contracted in 2020 compared to 2019. Recurring revenue from service payments were from maintenance and other services, associated with the upfront lease revenues recognised in 2016, 2017 and 2019 respectively.

GreenTech revenue, RM'000



For FYE 2020, the segment recognised a non-cash impairment charges of RM6.97 million in respect of its trade and finance lease receivables as a result of significant increase in credit risk in light of the current COVID-19 circumstances. We had determined that the recoverable amount from the trade and finance lease receivables of the GreenTech segment was less than its carrying amount.

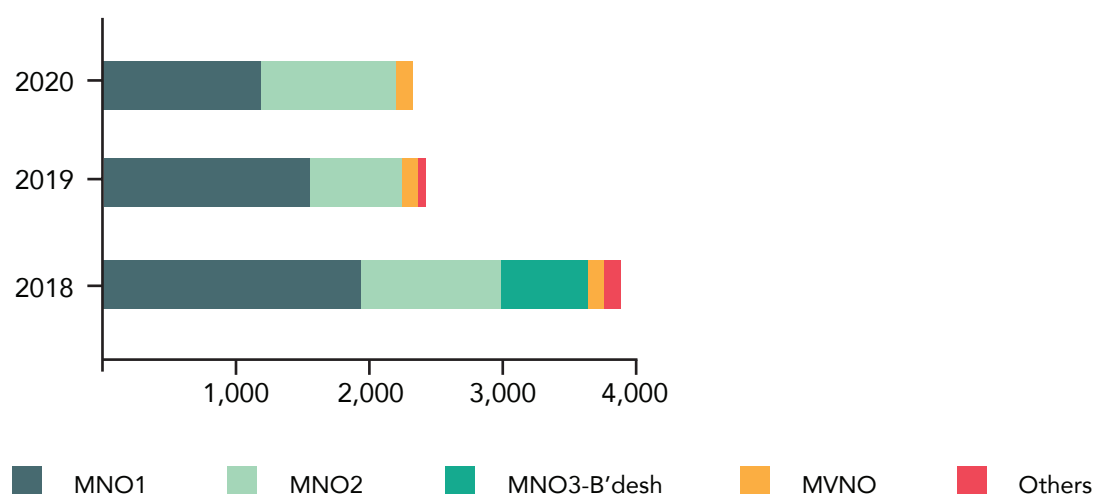
Due to the combined effects of the reduced activity for the segment, impairment loss on trade and finance lease receivables and common operating expenses/indirect cost allocated to this segment, Greentech recorded a segment operating loss before tax of RM7.54 million as compared to segment operating profit before tax of RM0.77 million in 2019.

TelcoTech

The transactions revenue from TelcoTech was RM2.37 million, a decreased of 1.17% from the RM2.40 million of revenue generated in 2019. The segment continues to experience lower average number of transactions per day as a result of overall decline in prepaid market attributed to lower average revenue per user ("ARPU") and decreasing subscriber base. To sustain the declining traffic, more joint campaigns with telco partners were undertaken during the year to encourage potential customers to use our sharing as compared to the previous year.

Nevertheless, TelcoTech platform was unaffected from the COVID-19 pandemic due to its digital-base infrastructure and the demand for telco credit to stay connected during the pandemic.

TelcoTech revenue, RM'000



	FYE 2020	FYE 2019	FYE 2018
Total number of successful transactions	15,507,964	17,510,597	31,223,925
YoY Change (+/-)	(11.44%)	(43.92%)	(27.32%)

The segment recorded segment operating profit before tax of RM0.19 million as compared to segment operating profit before tax of RM0.80 million in the previous 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, IoT, GreenTech, and TelcoTech.

Our plan and strategies to mitigate the following top and emerging risks are disclosed below:

Disruption and Uncertainty in Business due to COVID-19 Pandemic

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. Governments worldwide enacting emergency measures to combat the spread of the virus, including implementation of travel bans, self-imposed quarantine periods and physical distancing. These measures have caused material disruption to businesses globally resulted in unprecedented economic slowdown.

The COVID-19 also has caused us to modify several of our business practices and operations and we may take further actions as may be required by government authorities or that we believe are in the best interests of our employees, customers, partners, suppliers and other stakeholders. Most of our employees are currently working from home, which can introduce additional operational risks, including cybersecurity risks. Working from home arrangements have impacted the way that we conduct our product development, customer support, sales and other activities, which could have an adverse effect on our operations. While our business team is pursuing new sales contract and renewals while working from home, prolonged restrictions or limitations on the ability of our business team to travel to meet prospective or existing customers in person may adversely affect our ability to generate future revenues. Illness and workforce disruptions could also lead to the unavailability of senior management or other key personnel and adversely impact our ability to perform critical functions.

We implemented Work-From-Home ("WFH") protocols for our employees as an alternative temporary arrangement during this challenging period. Daily team video calls, interactions over chats and email and frequent updates from HR and senior management have helped mitigate any feeling of isolation. During the period where working in office was allowed, we provided guidance and mandate of appropriate social distancing and safety measures in our premises.

The breadth of the impact of the COVID-19 pandemic on investors, business and global economy may have material adverse effect on the Company's business, results of operations, cash flow, financial condition and trading prices of the Company's shares. We cannot provide any assurance that our measures will be sufficient to mitigate the risks posed by COVID-19.

We are reliant on contributions from key customers

The Group has a number of key customers that in aggregate, contribute a significant portion of the Group's revenue. We may have a greater exposure to fewer FinTech, GreenTech, IoT and TelcoTech customers where slow-paced decision-making or delay planned renewals or implementations as a result of economic conditions (including those related to the COVID-19 pandemic), may disrupt historical spending patterns.

There can be no assurance that our relationship with our key customers will continue, and a significant reduction or total loss of business from our key customers, if not offset by sales to new or existing customers, may have adverse effect to our business, results of operations, cash flows and financial conditions.

To better serve the needs of our existing key customers and to attract new customers, we shall continue to enhance and improve our existing products and services, develop new products and services, invest in new technology, plan to acquire new businesses and/or partner with other businesses that would allow us to offer a broader array of product and services.

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. Collection of these receivables could also be influenced by economic factors affecting the industries we are in.

Non-collectability will adversely affect our cash flows, 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. Allowance for non-performing and past due receivables are reviewed on at least as a, on a monthly basis. Account receivables are considered impaired when there is objective evidence that a customer may default. We also continuously monitor our cash flows and maintain an action plan for any receivable beyond its credit term.

We are dependant on the performance of our strategic partners

Our provision of solutions for GreenTech and IoT are in collaboration with independent strategic partners. 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 is, in part, commensurate with the status and speed of site handovers to the project teams.

We endeavor 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.

Our business is concentrated in Malaysia, which may result in a higher level of risk compared to other competitors whose transactions are spread over diverse locations.

As at 31 December 2020, 99.34% of our operating revenue was derived from within Malaysia and all of the assets of the Group were employed within Malaysia. The concentration of revenue streams and asset locations in Malaysia may entail a higher level of risk as compared to other competitors which have revenue streams and/or assets spread over different countries. As a result, the Group's revenue depends on the debt levels and continued strength of Malaysia's economy, which in turn, affected by general economic and business conditions in the Asian region and globally.

The Group seeks to closely analyse and monitor the economic strength of our home country and endeavor to maintain a healthy financial position to ensure that should our country's economy experience an adverse economic development, the Group has the financial strength to weather the storm.

Supply chain - Significant raw material shortages, supplier capacity constraints, supplier or customer production disruptions, supplier quality and sourcing issues or price increases can increase our operating costs and adversely impact the competitive positions of our products and solutions

Our reliance on third-party suppliers, contract manufacturers and service providers to secure raw materials, parts, components and sub-systems used in our Greentech and IoT solutions, exposes us to volatility in the prices and availability of these materials, parts, components, systems and services.

Disruptions in deliveries from our third-party suppliers, contract manufacturers or outsourced and/or other service providers, capacity constraints, production disruptions, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disaster, health pandemic or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows.

We monitored the impact of supply chain interruptions across our businesses, in particular due to the COVID-19 pandemic in 2020, by taking precautionary measures for supply chain risk mitigation and management. Amongst others, our contingency plan for resilience and viability strategies is to work with vendors in our supply chain to develop a unified disaster recovery plan to ensure business continuity, and diversified our supplier network to reduce reliant on a single supplier.

We are subject to operational and infrastructure risks

We are exposed to many operational risks that can have a significant impact to risks associated with business interruption. 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 TelcoTech 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 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, including but not limited to disruption caused by public health emergencies or terrorist acts.

The obvious near and long-term consequences of an operational risk event are financial loss, legal costs, regulatory fines and reputational damage that can affect how customers, shareholders, regulators and counterparties view us.

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. Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus.

We seek to mitigate operational and infrastructure risks by anticipating and proactively deterring risks events. 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.

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

New and changing corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.

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 that the International Accounting Standards Board and Malaysian Accounting Standards Board make from time to time to these standards, 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 30 on page 180 and 181 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, law and regulations, and any changes to the existing standards, law and regulations. However, there is no assurance that in doing so, our operational and financial results would not be adversely affected.



OUTLOOK, TRENDS AND PROSPECTS

The COVID-19 pandemic posed a challenge to companies that are not digitally mature; some emerged stronger from the almost overnight direction shift, while others bid goodbye to their decade-long business. Digital transformation is imperative for the so-called “new normal”.

As the world shifts in completely new directions this year into the mindset of balancing our health, work, and leisure post COVID-19, we are driven by the need to an evolved consumption pattern. Organisations will have no recourse but to digitise their operations according to each of their stakeholders’ needs.

Moody recently revealed that Malaysia remains a major market for Islamic finance in Southeast Asia with 35.6% (as at end-June 2020) of the industry’s market share total financing (excluding Development Finance Institutions). With more than RM50 billion loans processed to-date, we foresee FinTech as one of our big achievers in 2021 and beyond, driven by growing numbers of Islamic financing supplemented with evolved digital lifestyles. This demand is expected to continue for some time, considering the shift in digital behaviour towards banking habits post the first round of Movement Control Order (“MCO”) in March 2020, coupled with strategic alliances forged with several FinTech industry leaders.

Esports will also be at the forefront of digital consumer behaviour as the global esports market is estimated to be valued at US\$ 3 billion in the year 2025, growing at a Compound Annual Growth Rate (“CAGR”) of 18% in the period 2020 to 2025. Going at a pace of 700 unique user registrations per ESPL tournament, we anticipate a brighter spotlight on amateur esports tournaments in view of our multiple partnerships with esteemed game publishers and rapid global expansion.

The rise of consumer preferences shifting from prepaid to postpaid has become a common trend reported by three of the country’s major mobile operators. Despite neutral growth opportunities, we expect that our TelcoTech will remain its contribution to the Group’s revenue.

Business norms will transform, as more corporations will implement either a hybrid or full remote-working arrangements, reducing the need for corporate buildings energy saving solutions, which in turn may adversely impact our GreenTech segment. Nevertheless, with climate change and energy being a widely discussed material topic, we anticipate that our GreenTech business will regain its momentum as well as evolve in accordance with the market demands.

With the MCO by the government likely to go on-and-off to curb daily caseload in public places, the absence of major demands for our IoT segment’s smart devices expected to derive from retail and office buildings, may pose as serious threats to the segment’s revenue.

All things considered, we remain committed to streamlining our business portfolio and will continue with the rationalisation of our non-performing business units.

GENERAL OUTLOOK

The continuing impact of the COVID-19 outbreak is predicted to prolong for the financial year 2021. There are a considerable number of uncertainties on whether the vaccine is capable of neutralising the virus or whether there will be another deadly strain that has evolved.

That said, we remain vigilant and will continue to put sharper emphasis on working capital management, cost optimisation and an improved operational excellence in ensuring business sustainability.

Moving forward, we will also continue to pursue selective growth opportunities in line with our risk appetite. We remain cautiously optimistic that Malaysia's economies will continue to flourish and will provide the growth opportunities for the Group in the coming years.

Putting our challenges behind, it is more crucial now than ever to move forward in building a robust financial year in 2021.



BOARD OF DIRECTORS

TAN SRI ABDUL HALIM BIN ALI

**Senior Independent
Non-Executive Chairman**

Malaysian, 77 years of age, Male

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



In 1966, he graduated from University of Malaya, with a Bachelor of Arts (Honours) in History, and to-date, has almost fifty-three (53) years of working experience.

Upon graduation, he joined the Ministry of Foreign Affairs in 1966, where he held several appointments at home as well as at Malaysian Diplomatic Missions overseas.

From 1982 to 1985, he was the Malaysian Ambassador to Vietnam followed by his appointment as Deputy Secretary General III (Administration) of the Ministry of Foreign Affairs from 1985 to 1988. He then served as the Malaysian Ambassador to Austria from 1988 to 1991 and as Deputy Secretary General I (Political Affairs) from 1991 until his promotion in 1996 to Secretary General of the Ministry.

In September 1996, he was appointed as the Chief Secretary to the Government of Malaysia until his retirement in 2001. After his retirement, he was appointed as the Chairman of the Employees Provident Fund until January 2007.

He was the former Chairman of the Malaysia Building Society Berhad, MBSB Bank Berhad and Universiti Teknologi Malaysia.

Tan Sri Abdul Halim does not have any 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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Tan Sri Abdul Halim attended all nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.

DATUK NOOR AZRIN BIN MOHD NOOR

Managing Director

Malaysian, 51 years of age, Male

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

In 1994, he graduated with a Bachelor of Law (Honours) from University of Wolverhampton, United Kingdom. He is the founder of the Group

and has more than twenty-seven (27) years of working experience, with twenty-two (22) years in media and telecommunication industry and the remainder in legal and corporate banking.

Datuk Noor Azrin began his career upon obtaining his law degree as a legal executive, following which he joined D&C Bank as Corporate Banking Officer in 1993.

In 1995, he joined MEASAT, now known as Astro, as the Head of Entertainment and Sports, pioneering acclaimed shows namely "Roda Impian", MTV Music Television Lip Service, Who Wants to be a Millionaire, as well as, illustrious sports entertainment, the English Premier League, Italian Serie A, FIFA World Cup and the UEFA Champions League among others, earning him the nickname "Father of Football".

In 2004, armed with the experiences gained in intellectual property and media where he is an undisputed expert, Datuk Noor Azrin established IDOTTV Sdn. Bhd. ("IDOTTV") (which currently known as Sedania Technologies Sdn. Bhd.), a wholly-owned subsidiary of Sedania Innovator Berhad, through which he spearheads the development and implementation of next-generation products and services.

In 2015, 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 the telecommunications sector forward.

Datuk Noor Azrin's outstanding achievements have earned him numerous accolades from notable industry captains. His accomplishments have been recognized through the bestowment of various awards, including Top Nominee in the Master Category by Ernst & Young Entrepreneur of the Year 2011, Winner of the Technology Sector by Global Leadership Awards 2012, Winner of the Best Brands in ICT-Content & Media by The BrandLaureate SME Best Brands Awards 2012, Winner of the Outstanding Entrepreneur Category by Asia Pacific Entrepreneurship Awards (AREA) 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.



In 2020, the Government formed another body called National Digital Economy and 4IR chaired by the Prime Minister of Malaysia, Tan Sri Dato' Haji Muhyiddin Bin Haji Mohd Yassin. Datuk Azrin's success in leading Sedania to become one of the fast growing home grown technological company was being recognised, and he was appointed as one of the council members to represent the private sector. The council was formed by the Government to oversee the development of the digital economy in Malaysia, among which act as the highest administrative body in setting up comprehensive and effective policies and monitoring the nation's strategies and initiatives for the digital economy and 4IR. As one of the elected council members, Datuk Noor Azrin is expected to share his vast experiences and knowledge and help our nation accelerate and transform the digital economy landscape in Malaysia.

In the same year, Datuk Noor Azrin was appointed as one of the council members of Majlis Kemakmuran Bumiputera ("MKB"). MKB was set-up to steer and speed-up the economic empowerment of the Bumiputras. As one of the leading figures in the Bumiputera community behind Malaysia's growing economy, Datuk Azrin's contribution is seen as vital in helping the Government to improve the socio-economic development of the Bumiputras in the country.

His vast experience, coupled with his desire to inspire and shape the mindsets of the current and next generations has led him to publish five (5) 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", the fourth "Stories of Trials, Tribulations and Hope", and the fifth "Stories of Life: It All Starts With The Heart". Datuk Noor Azrin is also a regular contributor in The Edge Monthly.

At the same time, 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 organization that undertakes various initiatives toward alleviating the needs of the underprivileged.

Datuk Noor Azrin does not hold any directorship in any other public corporation. Datuk Noor Azrin is the brother of Datuk Noor Syafiroz, the Executive Director of the Group.

Save as disclosed herein, he does not have any 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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Datuk Noor Azrin attended all nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.

" We need to build the digital infrastructure and carve out the ecosystem with digital technology adoption, making Malaysia a rich ground for digital opportunities so that industries, businesses and individuals will thrive under the new demands."

- Datuk Azrin Mohd Noor,
The Edge Malaysia, Dec 2020

DATUK SYED IZUAN BIN SYED KAMARULBAHRIN

Independent Non-Executive Director

Malaysian, 51 years of age, Male

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, the Nomination Committee and the ESOS Committee.



A graduate 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 and the Malaysian Institute of Accountants.

He started his career with Price Waterhouse in 1993, carrying out statutory audit on private and public limited companies. Currently, he is attached to The Weststar Group, which is primarily involved in the automotive, aviation, construction & property, defense and engineering sectors, as the Financial Adviser to the Group's Executive Chairman. In all, he has more than twenty-seven (27) years of experience in corporate financing, accounting and advisory.

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

Datuk Syed Izuan does not have any 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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Datuk Syed Izuan attended all nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.

DATUK NOOR SYAFIROZ BIN MOHD NOOR

Executive Director

Malaysian, 44 years of age, Male

Datuk Noor Syafiroz Bin Mohd Noor 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 five (5) years of audit and over seventeen

(17) years in business and 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 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. He was also appointed as the CEO of Sedania As Salam Capital Sdn. Bhd. in the year of 2012.

Datuk Noor Syafiroz does not hold any directorship in any other public corporation. Datuk Noor Syafiroz is the brother of Datuk Noor Azrin, the Managing Director of the Group.

Save as disclosed herein, he does not have any 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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Datuk Noor Syafiroz attended all nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.



NORLIZA BINTI KAMARUDDIN

Independent Non-Executive Director

Malaysian, 55 years of age, Female

Puan Norliza Binti Kamaruddin was appointed to the Board as an Independent Non-Executive Director on 16 May 2019. Norliza is the Chairperson of the Remuneration Committee, a member of the Audit and Risk Management Committee, Nomination Committee and ESOS Committee.



Norliza graduated from University Teknologi MARA with a Bachelor of Arts and Design and continued to obtain her Professional Certificate in Corporate Public Affairs ("CPA") from The Center of Corporate Public Affairs, Melbourne Business School, Australia.

Norliza is an awards winning communications expert and has more than twenty-six (26) years of experience in various communications practices particularly branding and communications strategy, corporate social responsibility & sustainability, strategic planning, corporate and government stakeholder management, crisis communications, media relations and internal communications.

Among her notable past involvements was being the Global Head of Strategic Communications for Petroliaam Nasional Berhad ("PETRONAS") of which she was responsible for the company's overall communications strategy, corporate branding and reputation management in more than 30 countries. Prior to that, she was also the Country Head of Corporate Affairs at Standard Chartered in Malaysia and served as the Chairman for the Prime Ministers Hibiscus Award and was the President for the Business Council for Sustainability Responsibility Malaysia from 2011-2013.

Norliza is currently the Managing Director in the Strategic Communications practice of FTI Consulting Inc., a global business consultancy firm listed on the New York Stock Exchange ("NYSE"). She currently also serves on the Industrial Advisory Panel for Strategic Communications at Multimedia University Malaysia since 2016 and as the Board of Trustee for the Standard Chartered Foundation from 2010. Currently Norliza is also an Independent Non-Executive Director in Kumpulan Perangsang Selangor Berhad.

Norliza does not have any 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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Norliza attended all nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.

LAU KIN WAI

Independent Non-Executive Director

Malaysian, 44 years of age, Male

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

Kin Wai received his Masters 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 Initial Public Offering at the age of 28.

He has to date founded half a dozen of technology companies with 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").

Kin Wai sits on the board of Abelco Investment Group AB, publicly traded investment company in Sweden. He currently serves as the Chairman of iCandy Interactive Ltd. (ASX:ICI), the first smartphone game company to go public from Southeast Asia. He also sits on the Board of various public and private tech companies across the Southeast Asia region e.g. Lunch Actually Group and iFashion Group.

More recently Kin Wai takes on a developmental role in the global esports arena with his position as the President of Esports Players League ("ESPL"), a global esports tournament network.

Kin Wai does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company, save for disclosed in the non-material co-investment transaction that involves ESPL. He has no conviction of any offences within the past five (5) years (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

Kin Wai attended eight (8) out of nine (9) Board Meetings of the Company held during the financial year ended 31 December 2020.

KEY MANAGEMENT

DANIEL BERND RUPPERT

Chief Executive Officer

German, 45 years of age, Male

Date of Appointment: 09 January 2018

Years of Experience: 20 Years

Field:

- Banking
- Retail

Business Ventures: Presto Group (2015)



Academic / Professional Qualification(s):

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

Career

- Investment Banking Analyst, Jefferies Investment Banking, London
- Investment Banking Associate, Westlb Panmure Ltd., London
- Managing Director in A.D. ARIF Solutions Sdn Bhd, Malaysia
- Managing Director in Presto Group of Companies, Malaysia

Achievements / Awards

- Founded and scaled technology businesses into various markets
- Developed and implemented purpose-built digital platforms for notable events in Malaysia
- Expanded www.presto.my to second largest online retail platform in Malaysia
- Established and grew Presto Group to annual turnover of RM30 million

RIZALZIN HASHIM BIN MOHAMMED

Chief Financial Officer

Malaysian, 44 years of age, Male

Date of Appointment: 01 January 2007

Years of Experience: 22 Years

Field:

- Hospitality & Services
- Plantation & Manufacturing
- Media, Engineering & Telecommunications Services



Academic / Professional Qualification(s):

- Bachelor of Business, majoring in Accounting from University of Technology Sydney, Australia (1998)
- Chartered Accountant, Malaysian Institute of Accountants
- Fellow of CPA Australia (FCPA)

Career

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

Achievements / Awards

- Managed the financial operations of SEDANIA Group
- Awarded Best CFO for Investor Relations in a Micro-Cap Company by the Malaysian Investor Relations Association in 2017
- Advanced to the honour of Fellow of CPA Australia (FCPA) in 2020

RAZAM BIN MOHD RASHID

Chief Technology Officer

Malaysian, 51 years of age, Male

Date of Appointment: 17 August 2017

Years of Experience: 28 Years

Field:

- Technology, specializing in Mobile Solutions & Value-added Services

Business Ventures: Iridea (M) 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

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)

KHAIRUL NISA BINTI ISMAIL

**Chief Executive Officer,
Sedania As Salam Capital Sdn. Bhd.**

Malaysian, 46 years of age, Female

Date of Appointment: 16 April 2019

Years of Experience: 24 Years

Field:

- Integrated Brand & Digital Marketing in IT, Telco, Banking and Market Research
- Aviation/Airlines Experience in Loyalty & Customer Engagement
- Ancillary Business Development & Marketing
- Executive Leadership Role in FinTech Industry



Academic / Professional Qualification(s):

- Bachelor of Law (LLB), Oxford Brookes University, UK (1997)

Career

- Associate, Lester Technology Group (1997)
- Regional Marketing Executive, South Asia, DataOne Asia (M) Sdn Bhd (2000)
- Regional Manager, Asia Pacific, Kantar Malaysia Sdn Bhd (Part of Kantar TNS Global) (2003)
- Senior Manager, Retail Development, Commercial, DiGi Telecommunications Sdn Bhd (2008)
- Senior Manager, Branch Remodelling & Transformation, Hong Leong Bank Berhad (2009)
- AirAsia Group Berhad: Head of Communications, Head of Marketing, Ancillary Products (2010)
- Head of Loyalty & Enrich, Malaysia Airlines (2013)
- Project Head Aireward Loyalty Program, Air Arabia PJSC, Dubai (2017)
- Marketing Head (Malaysia) & Regional Partnerships, BankBazaar Malaysia (2018)

Achievements / Awards

- Bronze Medal for Best Regional Partnership Program for Asia Pacific Loyalty and Engagement (2015)
- Runner Up for the Loyalty Campaign of the Year in World Airline Loyalty Conference, San Diego (2015)
- Silver Medal for Excellence in Loyalty Marketing with Tourism Australia for Malaysia Marketing Effectiveness Awards (2016)
- Gold for Regional Partnership Program (Co- Brand Card) for Asia Pacific Loyalty and Engagement (2017/2018)

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 (other than traffic offences, if any), nor any public sanction or penalty imposed by regulatory bodies during the financial year.

SUSTAINABILITY STATEMENT

INTRODUCTION

At Sedania Innovator Berhad ("**Sedania**"), we believe in the power of technology to reshape the world for the better, leveraging digital innovations to mitigate environmental impacts and drive social revolutions.

Our value creation strategy focuses on providing "Innovations that Empower Lives Sustainably" through businesses that are consistently rendering maximum values to the community we serve while satisfying fast-changing user behaviour. We concentrate on investing in research and development ("**R&D**") and talent development to provide progressively more innovative and integrated ICT solutions for our end consumers in the governmental, commercial and financial sectors to support a thriving marketplace.

As we progress on our sustainability journey, we are driven to design and implement policies, processes and solutions that promote good sustainability practices in all of our operations, and help our clients to do the same. It is why we have stepped up our sustainability reporting for this year in an effort to further embed sustainability more deeply into our operations, so as to create and deliver long term value for all our stakeholders. The initiative is driven by the Board of Directors of Sedania, who recognises the importance of pursuing a progressive Economic, Environmental and Social ("**EES**") sustainability agenda as an integral function in the responsible stewardship of this Company.

ABOUT THIS REPORT

In this Sustainability Statement, we will discuss how sustainability is governed at Sedania, how we engage with our key stakeholders, as well as the management of material matters of our sustainability.

It is prepared in accordance with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition), while drawing on other related sources for sustainability reporting best practices such as the Reporting Index ("**GRI**") 2018 Sustainability Framework, Bursa Malaysia FTSE4Good Index Disclosures and the UN Sustainable Development Goals ("**UN SDGs**") for guidance.

The statement scope covers the key activities of the Group in the areas of Financial Technology ("**FinTech**"), Internet of Things ("**IoT**") solutions, Green Technology ("**GreenTech**") solutions and Sharing Platform ("**TelcoTech**") for the financial period of 1 January 2020 to 31 December 2020 ("**FY2020**"), unless otherwise stated. Disclosures on impacts involving third party vendors and our value chain partners are excluded from this report.

This is the third Sustainability Statement of the Group, and we are endeavouring to improve our sustainability indicators with each iteration. Wherever possible, we have strived to provide historical data for comparison to make our disclosures more meaningful for our stakeholders.

2020 SUSTAINABILITY HIGHLIGHTS

Sustainability has been a key priority for most businesses in FY2020 as the world grapples with the fallout from the COVID-19 pandemic that affected every sector of the global economy. The unprecedented health crisis tested the resilience of companies, supply chains, and our collective commitment to communities and the environment.

Likewise at Sedania, our focus was trained on ensuring business continuity amid the outbreak as the various levels of restrictions implemented under different levels of Movement Control Orders (“MCO”) forced non-essential businesses to shutter their premises on and off throughout the year. Restrictions on interstate and inter-district travel was enforced alongside physical distancing measures and capacity cap on businesses’ operating premises as the Government tried to curb the spread of COVID-19.

Although we had planned on continuing our focus on enhancing our innovation capabilities, caring for the environment and community empowerment in FY2020, those efforts were halted as we shifted our focus to address the disruptions to our business activities. Work from home arrangements have impacted the way that we conduct our product development, customer support, sales and other activities.

We moved quickly to modify several of our business practices and operations to align with the new requirements under the COVID-19 emergency, working towards the best interests of our employees, customers, partners, suppliers and other stakeholders. Our key efforts towards sustainability in FY2020 includes:

SUSTAINABILITY COMMITMENTS IN FY2020	RESPONSE & ACHIEVEMENTS
Continue improving the sustainability of our operations by assessing the impact of existing practices and identify new opportunities that has presented itself during this challenging time.	We decided to invest in a Health Technology company to diversify into this high potential area, hence the proposed acquisition of Offspring Inc Sdn. Bhd. , which was completed in January 2021.
Adherence to legislation and regulations.	Continued compliance with all regulatory requirements and introduced COVID-19 Standard Operating Procedures (“SOP”) in alignment with the Ministry of Health (“MoH”)’s guidelines.
Expanding solutions that minimise the need for on-site presence through our IoT, TelcoTech and FinTech solutions.	Increased take up rate of these solutions and helped to reduce site-presence related environmental impacts .
Encourage employees to adopt and implement a “think before you print” mindset.	Reduced paper and energy consumption from our printing activities.
Enhancing integrity and promoting fair and equitable marketplace practices	Implemented Sedania Group’s Anti-Bribery and Corruption Policy (“AB & C Policy”) including AB & C Policy awareness training to Board of Directors, key management team, business development team and selected operational personnel.

SUSTAINABILITY GOVERNANCE

Sustainability at Sedania is governed by the Chairman and Board of Directors, who oversee the Group's corporate governance, risks, audit, remuneration and the Group's operations as a whole, as well as matters pertaining to our EES impacts. The Managing Director ("MD"), Datuk Noor Azrin Bin Mohd Noor, and the Executive Director ("ED"), Datuk Noor Syafiroz Mohd Noor, oversee its implementation in our business divisions, assisted by members of our Key Management. Together, they enforce Sedania's sustainability strategy from the top management to operations level, and the progress and performance of our sustainability plans are reported back up the command chain to ensure sound decision making for sustainability.

WHO	SUSTAINABILITY ROLES & RESPONSIBILITY	
Board of Directors	Deliberates and determines the Group's strategies and policies with a focus on EES impacts	
MD and ED	Oversees the overall strategy implementation and progress	Reviews sustainability related information and presents it to the Board for deliberation
	Operationalise the plan in the respective business units and divisions	Collate sustainability related information against measurable indicators
Working Level	Implement the plan in their respective job functions	



The Board is supported by a growing set of governance frameworks and policies to manage sustainability at Sedania:

Board Charter	Code of Conduct and Business Ethics	Terms of Reference – Audit & Risk Management Committee	Terms of Reference – Nomination Committee
Terms of Reference – Remuneration Committee	Terms of Reference – ESOS Committee	Anti-Bribery and Corruption Policy	Whistleblowing Policy

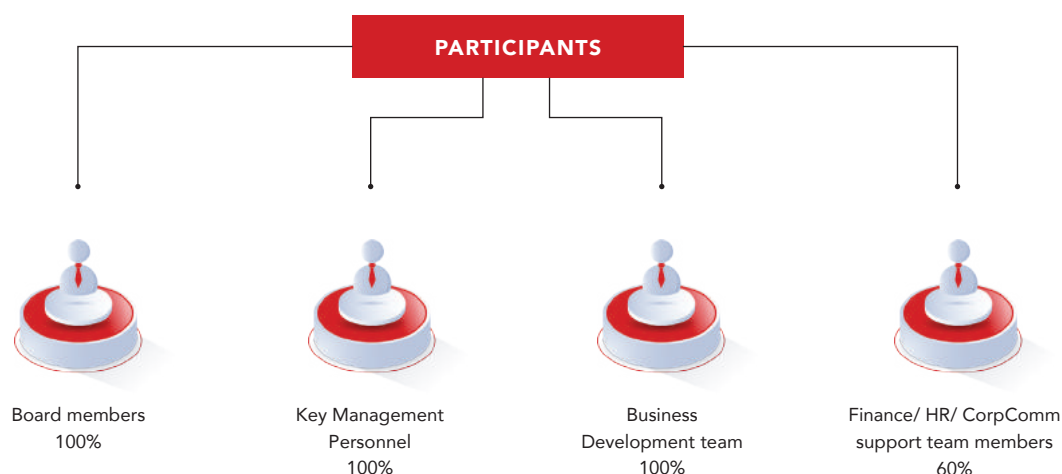
The above policies can be viewed at our Investor Relations portal at <https://www.sedaniainnovator.com/corporate-governance>. These policies are assessed periodically to ensure its continued effectiveness.

ANTI-BRIBERY AND CORRUPTION

In FY2020, the Board of Directors has established the Group's Anti-Bribery and Corruption Policy ("**AB & C Policy**") for Sedania. The Group is committed to conducting our business ethically and in adherence with all applicable laws, which includes compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018, and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

Since the policy's adoption, the Board has also reviewed and ensured the Policy's effectiveness of the process according to the Guidelines on Adequate Procedures ("**GAP**"), i.e. T.R.U.S.T. All departments of the Group have been appraised according to their respective Risk Assessment and the Board is satisfied with the levels of internal control measures to mitigate corruption risks.

A virtual in-house Anti-Bribery & Corruption awareness training was conducted on 5 August 2020 via Zoom, with the participation of:



The Group aims to have all staff trained and aware on Sedania's AB & C Policy. Towards this end, the Management is looking to organise a similar anti-corruption awareness and training session soonest for the balance 40% of staff to achieve 100%.

As we move forward, additional internal awareness programmes will be carried out for other staff members. The Head of Legal and Secretarial, together with HR & Talent Team shall from time to time, remind all employees with regards to the policy. This will be done via internal training sessions, staff meetings, internal memo reminders, posters, banners and others, carried out throughout the year.

We have in place a robust Whistleblowing Policy to support our commitment towards fighting fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of company property and any non-compliance with procedure. The Whistleblowing Policy provides an avenue and procedures for all employees of the Group and members of the public to report and disclose any improper conduct without fear of reprisals.

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:

1. Audit and Risk Management Committee Chairman

Datuk Syed Izuan Bin Syed Kamarulbahrin

2. Senior Independent Non-Executive Chairman

Tan Sri Abdul Halim Bin Ali

For employment-related concerns, one can report directly to the following designated persons:

1. Senior Independent Non-Executive Chairman

Tan Sri Abdul Halim Bin Ali

2. Executive Director

Datuk Noor Syafiroz Bin Mohd Noor

3. Chief Financial Officer

Rizalzin Hashim Bin Mohammed

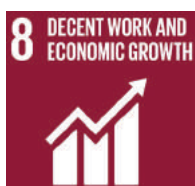
There have been no cases of misconduct reported through the Whistleblowing channel in FY2020, and no incidents of corruption reported or confirmed for that same period.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Sedania has expressed our commitment to the United Nations Sustainable Development Goals (“**UN SDG**”) in FY2019 in a bid to do our part to contribute to these global goals at the local level. We have also narrowed our focus of the UNSDGs to the following goals, continuing to make inroads despite the disruptions of FY2020:

SELECTED UNSDGs

SEDANIA'S CONTRIBUTION



Promote sustained, inclusive and sustainable economic growth, while providing full and productive employment and decent work

At Sedania, we encourage diversity and ensure the Group's workforce has a suitable blend of skills, competencies, experience, gender, and age. We believe that our dedication to creating a safe, sustainable and enjoyable workplace will continue to nurture and uplift our talents in a supportive culture. We offer rewards to all eligible employees, which includes benefits such as health and welfare, various types of leaves, and service awards. We provide competitive salaries and benefits packages to our employees in addition to training opportunities for growth and career development to empower talented individuals to succeed.

FY2020 Efforts:

We implemented Work-From-Home (“**WFH**”) protocols for our employees as an alternative temporary arrangement during this challenging period. Daily team video calls, interactions over chats and email, and frequent updates from HR and senior management have helped mitigate any feeling of isolation. During the period where working in office was allowed, we provided guidance on appropriate personal health, hygiene and safety practices while mandating social distancing on our premises.



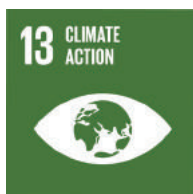
Make cities and human settlements inclusive, safe, resilient and sustainable

Sedania's technological products and services help to build and manage connected cities and communities, contributing to an inclusive, safe and sustainable urban spaces. As a responsible corporate entity, we strive also to be a social asset to our communities in which we operate. Our engagement in community-related programmes is driven by our pledge to share what we have achieved and give back to society.

FY2020 Efforts:

We concentrated on ensuring full operational efficiency of our FinTech, IoT, GreenTech and TelcoTech product and services offering in an effort to keep communities and businesses socially connected in a physically distanced world. Thanks to the connectivity afforded by our services, business can continue operating efficiently with lesser impact on environment sustainability and the community.

However, due to the prohibition of large gatherings and the risks posed by the pandemic, our community engagement efforts have been shelved for the time being in the interest of public health and safety. We remain committed to supporting the needs of the community where we operate.



Take urgent action to combat climate change and its impacts

We take mother nature seriously and have pledged to conduct our business in an ethically and environmentally responsible manner. We focus on the reduction of energy consumption and paper consumption while reusing them where possible. We have also ventured in the areas of environmentally-responsible products where we aim to minimize the environmental impact of our carbon footprints, and help our clients invest for the future through our GreenTech business.

FY2020 Efforts:

The goal of Green Technology is to protect our environment and conserve natural resources. Our GreenTech specifically focuses on products or services that improve corporate operational performance while reducing costs, energy consumption, waste, or negative effects on the environment.

In FY2020, despite the restricted access to buildings due to MCO/RMCO, we continued our energy efficiency ("EE") project for Malaysia's largest telecommunication corporation. We completed our installation of GreenTech Solutions in 4 data centre buildings and achieved an energy saving rate of 20%.

As of FY2020, our GreenTech performance is as follows:

Installed GreenTech Base	364 Buildings
Total GWh of base	52.5 GWh per year
Total Energy Saved in 2020	13.3 GWh
Energy Saving Rate in 2020	25.2%
Total Energy Saved to Date	65.4 GWh
CO2 Reduction to Date ¹	45,396 tonnes
Equivalent to Trees Planted ²	765,318 trees

GWh – Gigawatt hour

Source:

1. Malaysian Green Technology And Climate Change Centre (MGTC) Carbon Calculator (<https://www.mgtc.gov.my/carboncalculator/>)
2. Environmental Protection Agency (EPA), US, (<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>)

STAKEHOLDER IDENTIFICATION & ENGAGEMENT

As we formulate our sustainability agenda, we are constantly in engagement with our stakeholders to understand their evolving needs and expectations. Our interactions with them helps us gain a more complete understanding of their interests and concerns, which informs the Board and Management's decisions on our business strategies.

In FY2020, we have identified and classified the principal stakeholders of Sedania to better streamline our engagement efforts and provide clarity of purpose in each communication exercise. The details of our stakeholder engagement are provided in the table below:

STAKEHOLDERS	ENGAGEMENT METHODS	FREQUENCY	KEY CONCERNS / FOCUS AREAS	MATERIAL MATTERS
Shareholders & investors	AGM / EGM	Annually	<ul style="list-style-type: none"> Company performance 	<ul style="list-style-type: none"> Corporate governance & ethics
	Quarterly & Annual Reports	Quarterly / Annually	<ul style="list-style-type: none"> Profitability and growth 	<ul style="list-style-type: none"> Economic sustainability
	Periodic announcements	Ad Hoc	<ul style="list-style-type: none"> Strategy and future orientation 	
	Investor briefing	Ad Hoc	<ul style="list-style-type: none"> Corporate governance 	
	Electronic communication / email	Ad Hoc	<ul style="list-style-type: none"> Sustainability Dividend Anti-corruption 	
Customers	Electronic communication	Throughout the year	<ul style="list-style-type: none"> Service level agreement 	<ul style="list-style-type: none"> Supply chain
	Project Management	Throughout the year	<ul style="list-style-type: none"> Product & service innovations 	<ul style="list-style-type: none"> Economic sustainability
	Advertisement and marketing promotions	Throughout the year	<ul style="list-style-type: none"> Product / service quality Anti-Corruption Socioeconomic compliance 	<ul style="list-style-type: none"> Brand & reputation
	Corporate website/ Social Media	Throughout the year	<ul style="list-style-type: none"> Legal / regulatory compliance 	<ul style="list-style-type: none"> Product/service quality
Suppliers /Vendors /Contractors	Order placement	Monthly	<ul style="list-style-type: none"> Service level agreement 	<ul style="list-style-type: none"> Supply chain
	Meetings	Ad Hoc/As needed	<ul style="list-style-type: none"> Socioeconomic compliance 	<ul style="list-style-type: none"> Economic sustainability
	Supplier audit	Throughout the year	<ul style="list-style-type: none"> Legal /regulatory compliance 	<ul style="list-style-type: none"> Brand & reputation
	Project management	Ad Hoc/As needed		<ul style="list-style-type: none"> Product/service quality

STAKEHOLDERS	ENGAGEMENT METHODS	FREQUENCY	KEY CONCERNS / FOCUS AREAS	MATERIAL MATTERS
Employees	Zoom check-in & check out	Daily (during pandemic)	<ul style="list-style-type: none"> Employee remuneration & benefits 	<ul style="list-style-type: none"> Economic sustainability
	Townhalls	Ad Hoc (2-3 times a year)	<ul style="list-style-type: none"> Career development 	<ul style="list-style-type: none"> Diversity and inclusion
	Departmental meeting	On going	<ul style="list-style-type: none"> Training & education 	<ul style="list-style-type: none"> Training & development
	Teambuilding	Ad Hoc/ As needed	<ul style="list-style-type: none"> Corporate strategy 	<ul style="list-style-type: none"> Non-discrimination
	Events: festive celebrations, birthday tea & cakes break	Ad Hoc/ As needed		<ul style="list-style-type: none"> Employee welfare & satisfaction
	Appraisals, performance review/incentives e.g. ESOS	Yearly		<ul style="list-style-type: none"> Working environment
Government / Regulatory Authorities	Electronic communication / email	Throughout the year		
	Statutory contributions	Monthly	<ul style="list-style-type: none"> Anti-Corruption 	<ul style="list-style-type: none"> Corporate governance & ethics
	Income tax filing	Annually	<ul style="list-style-type: none"> Socioeconomic compliance 	<ul style="list-style-type: none"> Economic sustainability
	Annual return	Semi-Annually	<ul style="list-style-type: none"> Economic performance 	
	SST reporting	Bimonthly	<ul style="list-style-type: none"> Legal / regulatory compliance 	
Media	Local authorities	Ad Hoc/ As needed		
	Media events	Ad Hoc/ As needed	<ul style="list-style-type: none"> Company performance 	<ul style="list-style-type: none"> Corporate governance & ethics
Local communities	Press interviews / releases		<ul style="list-style-type: none"> Marketing 	<ul style="list-style-type: none"> Economic sustainability
	Community engagement	Ad Hoc/ As needed	<ul style="list-style-type: none"> Support in local projects around the Community 	<ul style="list-style-type: none"> Environmental and social impacts
	CSR Programs: championing local causes and charities, staff volunteering, environmental initiatives to minimise local pollution		<ul style="list-style-type: none"> Socioeconomic compliance Economic & social development 	

MATERIALITY

Through our regular engagement with stakeholders, we have identified a list of material matters derived from our key stakeholder groups' concerns and internal assessment on the changing business landscape, emerging trends and regulatory development. These issues are prioritised for disclosure based on their potential impact on our sustainability. Our materiality process in FY2020 can be summarised as follows:



The Board and Management have reviewed and acknowledged the following list of materiality matters as being most relevant to Sedania's sustainability in FY2020:

- Economic Sustainability
- Covid-19 Pandemic Response
- Brand Reputation & Product/Service Quality
- Innovation and IP
- Supply Chain
- Local Procurement
- Talent Management
- Diversity and Equal Opportunity
- Environmental Management
- Energy Consumption
- Climate Change
- Community Development

The sustainability function at Sedania is still at a nascent stage of development. We have made plans to improve our materiality assessment in the future through the engagement of an external sustainability consultant, who will guide us on improving our material topic identification, organisation and prioritisation based on the EES pillars for disclosure in our next reporting cycle.

TOPICAL DISCLOSURES

ECONOMIC SUSTAINABILITY

Sedania's economic sustainability is one of the highest priority material matters of the Group as we strive to create long-term value for our business and our stakeholders. The Board and Management of Sedania practices prudent financial management to ensure our economic sustainability, actively managing and mitigating risks, reviewing our performance against internal and external benchmarks while exploring opportunities for growth in our operating landscape.

For the year under review, the Group registered revenue of RM8.34 million and loss before tax of RM11.56 million. The table below illustrates the direct economic value distributed for the past 3 years on an accrual basis:

VALUE DISTRIBUTED	2020 RM	2019 RM	2018 RM
Taxes paid to government			
• Corporate	776,401.52	960,924.24	1,267,740.48
• Customs (GST/SST)	455,466.06	371,791.15	375,098.76
Total payout to employees in salaries and benefits	7,085,064.60	7,074,571.92	6,476,862.93
Total value of EPF, SOCSO and other contributions for staff	541,851.75	561,549.05	586,004.46
Total monetary value for local procurement vendors	2,362,049.20	8,212,210.32	4,991,353.16

As at FY2020, our cash reserves stand at RM12.72 million. We have invested in the acquisition of a health technology company, tapping into the fastest growing vertical within the healthcare sector as part of Sedania's strategy to ensure our future economic sustainability.

**RM12.72 mil
in Cash Reserves**

Additional information on our FY2020 economic performance can be found in:

- Financial Highlights: page 13
- Management Discussion & Analysis: pages 15 to 38
- Financial Statements: pages 114 to 183

COVID-19 PANDEMIC RESPONSE

With the safety and wellbeing of our people in mind, Sedania updated our Disaster Recovery and Business Continuity Plan Policy and Procedures to include measures tailored for this global health emergency. It outlines our strategies for maintaining operational continuity and sets out the SOP that enable our employees to continue carrying out their responsibilities without endangering them. These include:



WFH Procedures

- Employees are required to work remotely during the MCO period.
- We subscribed to Google's G Suite – a collection of cloud computing, productivity and collaboration tools – to manage work flows, and Zoom, our virtual video conferencing tool to facilitate discussions in place of face-to-face meetings.
- To ensure employees can effectively work from home, daily check-in at 9:30am and check-out at 5:30pm is observed and all staff must log in. During Ramadhan month, check-in and check-out times were adjusted to 9:00am and 4:30pm daily.
- Our office remains open to those who want or need to utilise its facilities
- In-office team meetings are carried out at least once a week.



Safety Protocols

- Introduced guidelines on hygienic behaviour for employees similar to those published by Kementerian Kesihatan Malaysia.
- Staff are advised to observe and practice social distancing, wear a face mask and sanitise frequently.
- Acquired disposable face masks and hand hygiene materials to be available for use by employees in the office.
- Changed seating arrangements in office with social distancing markers to increase space between people at work.
- Perform frequent and effective cleaning and sanitisation of the office, so as to reduce the risk that employees will pick up the infection from contaminated surfaces.
- Banning overseas travel during the pandemic.

These measures are expected to be in place for a period of time until the pandemic is effectively contained.

We are pleased to note that none of our staff had been infected by COVID-19 in FY2020. Our preparations have helped us to keep our people protected at work and adapt our operations to this 'new normal' with minimal disruptions.

**Zero
COVID-19
Infections**

We have since updated our risk register to cover pandemics and made efforts to ensure that the components of internal control continue to function with the increased reliance on technology.

BRAND REPUTATION & PRODUCT/SERVICE QUALITY

Sedania's business is sustained by customers' continued trust and confidence in the quality of our products and services and the value it offers to our customers. Through regular engagement with our customers, we strive to build mutually beneficial long-term relationships with our customers based on trust, integrity, and respect. Our deep understanding of their business needs and challenges helps us tailor and innovate our product and services solutions to address our customers' evolving needs. We have also adopted an Information Security Management System ("ISMS") standard to protect the confidentiality, integrity and availability of our assets.

Through the course of our business activities, we inevitably come into contact with large amounts of customer data, some of which may be sensitive in nature. We hold a high regard for our customers' right to data privacy and adhere fully to the Personal Data Protection Act 2010 ("PDPA"). Suppliers and business partners who may come into contact with this information during the course of their work are also required to sign Non-Disclosure Agreements to ensure our customers' data privacy.

INNOVATION AND IP

Sedania has played a vital role in helping to digitise many segments of the nation's economy. We are continuously collaborating with our customers on their transformation journey to create efficient operations and enhance their customers' journey.

**Launched the NEW
"ASAP" FM Smart
Fire Alarm in FY2020**

In FY2020, we have launched a new Facility Management ("FM") product in the IoT segment – the "ASAP" FM Smart Fire Alarm. The state-of-the-art smoke alarm features digital sensors with particle count reading, using a dual wavelength technique instead of the conventional photoelectric type of sensor to reduce false alarms. Operating on the inherently safe Sigfox network for communication and authentication, it includes a built-in ambient temperature sensor for increased reading accuracy and has a 10-year lifespan with 2x CR123A 3.0V batteries.

Other patents filed by Sedania over the past few years include:

NO.	PATENT	APPLICANT	DATE OF FILING	APPLICATION NUMBER	PLACE OF APPLICATION	STATUS OF REGISTRATION
1.	Telecommunication Airtime Transfer And Request System And Method	IDOTTV	05.11.2008	PI 20084418	Malaysia	Granted - Active
2.	A Telecommunication Airtime Trading System	SASC	28.01.2010	PI 2010000455	Malaysia	Granted - Active
3.	A System and Methods Used for Electronic Billing	IDOTTV	30.03.2011	PI 2011001419	Malaysia	Withdrawn
4.	A System for Allowing Interaction for a Mobile Device Program, a Server Program and a Bridging Program and a Method for Generating the Programs.	IDOTTV	22.03.2011	PI 2011001287 (product patent)	Malaysia	Withdrawn
5.	A System for Allowing Interaction for a Mobile Device Program, a Server Program and a Bridging Program and a Method for Generating the Programs.	IDOTTV	22.03.2011	PI 2011001643 (divided out of PI 2011001287) (process patent)	Malaysia	Withdrawn
6.	Airtime Share	IDOTTV	18.04.2016	PI 2016701419	Malaysia	Withdrawn
7.	Telecommunication Balance Request And Transfer Method	IDOTTV	18.07.2017	UI 2017702640	Malaysia	Withdrawn

SUPPLY CHAIN

Sedania practices an equal playing field approach in the management of its supply chain, promoting fair and competitive bidding as part of its procurement practice in vendor and supplier selection. Our Code of Conduct and Business Ethics sets out our expectations for employee behaviour in their dealings with external parties including clients, vendors, suppliers and public officials.

In encouraging good governance, our vendors and suppliers are also required to accept the Sedania Code of Conduct and Business Ethics in order to qualify for our tender process. Vendors found to have violated the Code of Conduct may find their services terminated or face legal action.

Our list of suppliers, vendors and creditors are updated regularly and reviewed annually to identify high-risk suppliers. The supplier audit is conducted based on their performance, quality of product and services, as well as price competitiveness, with physical inspection audits carried out as and when needed. Due diligence is conducted on new and existing suppliers, looking at past performance and service history to determine their fitness prior to being registered into our panel of approved contractors and suppliers.

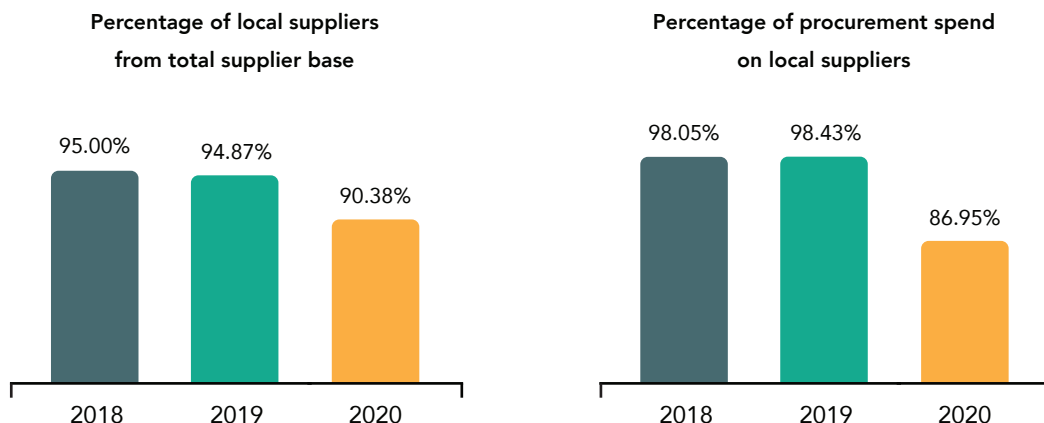
These procurement strategies help us manage our expenses effectively and in a sustainable manner.

LOCAL PROCUREMENT

As part of our responsible supply chain management, Sedania places an emphasis on local procurement sources whenever possible to help create a thriving local marketplace and fuel the nation's digital knowledge and economic growth. Choosing local suppliers also has the added advantage of reducing our carbon footprint from travel and transportation, and providing a common ground to facilitate mutual understanding and stronger collaborative relationships.

90.38%
of our suppliers are
local

In FY2020, Sedania contributed a total of RM2.36 million to the local marketplace through our responsible procurement practices. The percentage of local suppliers from our total supplier base and total procurement spending on local suppliers for the past three years are outlined below:



TALENT MANAGEMENT

Sedania maintains a small but talented and committed workforce that forms the backbone of the Group. As such, we are dedicated to providing a safe and conducive workplace environment that nurtures their growth through training and internal promotion as part of our talent retention and management approach. This is complemented with a competitive mix of remuneration and benefits, entitlements, reward system and engagement activities which include:

Types of Leaves:	Annual Leave	Medical Leave	Compassionate Leave
	Hospitalisation Leave	Maternity Leave	Paternity Leave
	Exam Leave	Rest in Lieu	Prolonged Illness Leave
	Marriage Leave	Matrimonial Leave (Permanent Employee)	
Reward Systems:	Long Service (6 years of service)		
Benefits:	Medical and Hospital Coverage	Mobile Phone Allowance	
	Travelling Allowance (Permanent Employee)		
Staff Activities:	Farewell Luncheon	Staff Gathering	Annual Dinner
	Ramadhan Break Fast Dinner	Hari Raya Open House	

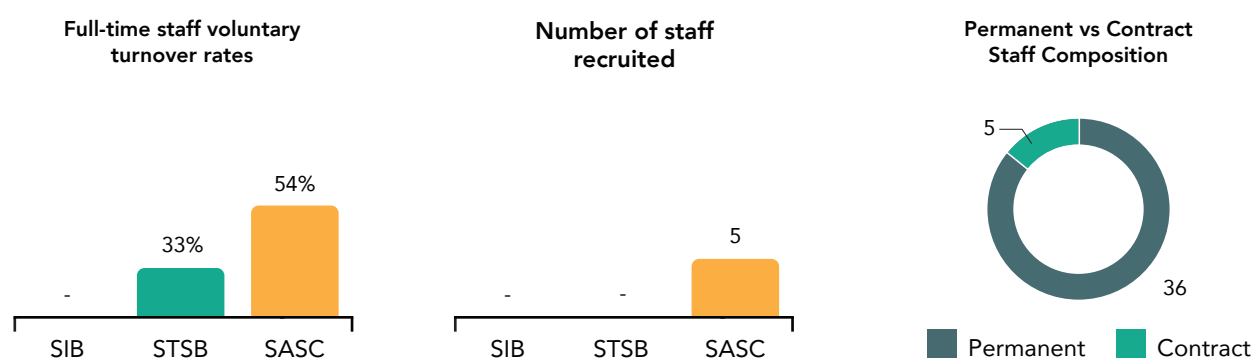
The Group adheres to the Malaysian Employment Act 1955 and Children and Young Persons (Employment) Act 1966, which prohibits exploitative labour practices and is aligned with the guidelines of the International Labour Organisation (“ILO”) and the Universal Declaration of Human Rights. We do not practice child labour or forced labour and adheres to the minimum wage requirements of our country of operations.

In the year under review, the Group has invested a total of RM6,900 on training for 12 out of the Group’s 41 employees. The training focused on areas such as technical skills, communication skills, organisational skills, leadership and succession planning, as well as compliance and regulatory updates, with an average training time of 12 hours per employee. We hope to continuously upskill our employees to enhance our operational performance and develop mutually rewarding career paths for our people.

87.8%
talent retention
in FY2020

In support of work-life balance for our staff, we also offer pro-family benefits such as parental leave. During the year under review, 4 of our permanent staffs utilised their paternity leaves to welcome new additions to their family, with all 4 (100%) returning to work after the hiatus.

We are happy to report that the Group's employee retention rate is 87.8% in FY2020. The breakdown of our employee recruitment and attrition rates, and distribution of permanent and contract staff, are provided below:



Legend:

- Sedania Innovator Bhd. ("SIB")
- Sedania Technologies Sdn. Bhd. ("STSB")
- Sedania As Salam Capital Sdn. Bhd. ("SASC").

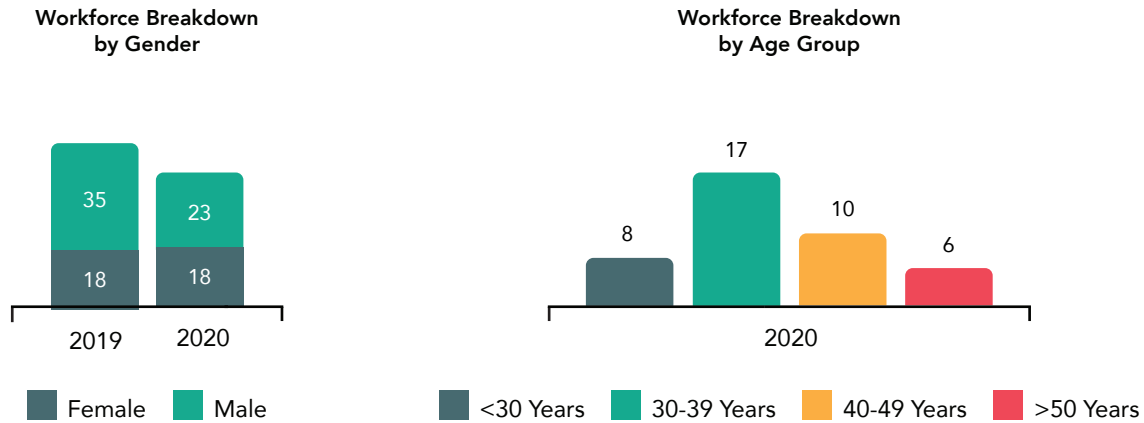
In the year under review, 85.37% of our employees underwent their annual reviews and were successfully appraised for their performance.

DIVERSITY AND EQUAL OPPORTUNITY

At Sedania, we believe employee diversity promotes a culture of open-mindedness and harnesses a more collaborative environment for work and innovation to flourish.

Hence, the Group practices non-discrimination against employees and potential hires, where prospects of employment, promotion, training opportunities, salary, remuneration, reward and other forms of benefits are determined based on merit and in accordance with our human resource protocols and procedures.

Our recruitment policies as well as policies for talent, retention, development and rewards are geared towards fostering an employment culture centred on diversity and meritorious performance. Going forward, the Group aims to tap the benefits of a multi-cultural workforce, which include a greater richness in ideas, experiences and perspectives.



Although we support the employment of under-privileged groups, none of our staff in FY2020 are from deprived backgrounds, poor social status or those with no formal education or qualifications. We will continue to be mindful in practicing inclusivity in our future hiring so as to give these marginalised groups a leg up.

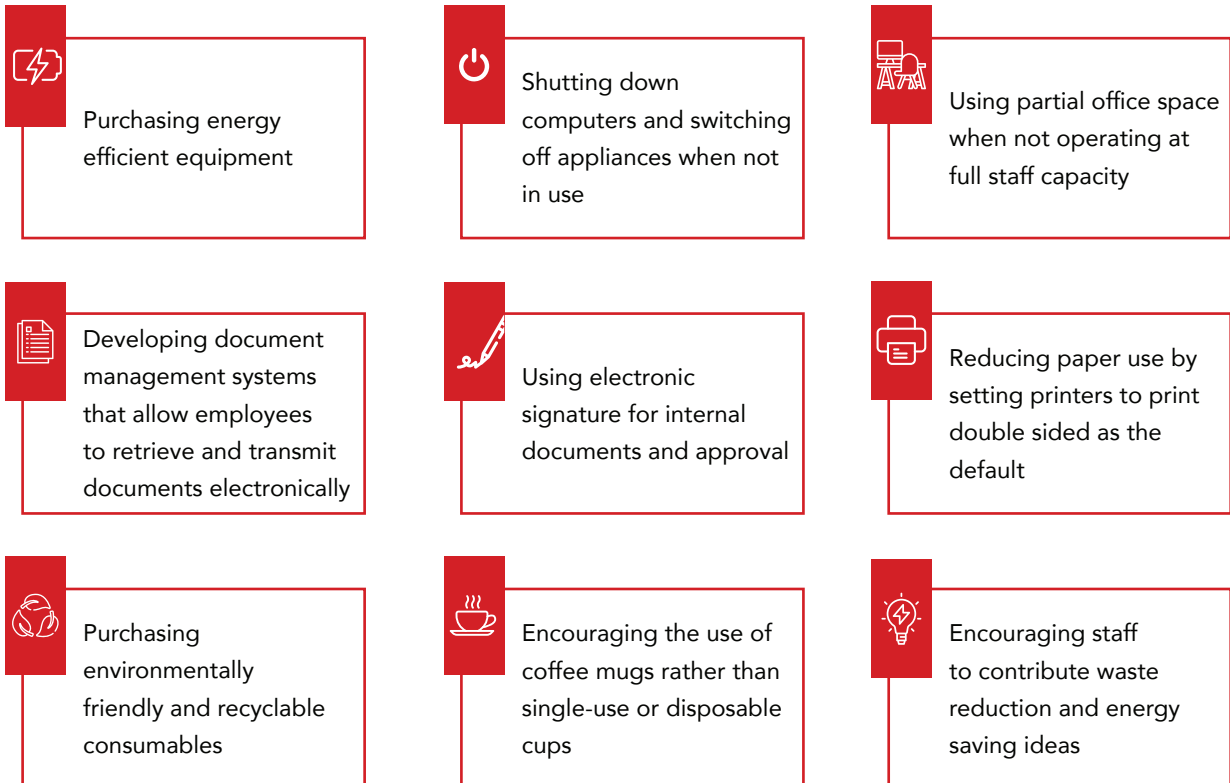
Sedania is also supportive of youth employment with initiatives such as apprenticeship and graduate internship placements offered at Sedania to nurture the next generation of knowledge workers.



ENVIRONMENTAL MANAGEMENT

As a technological solutions provider, Sedania's carbon footprint is limited to the energy and resources we consume within the office environment. Nevertheless, we believe that every little bit we do to manage our impact on the environment makes a big difference in the fight against climate change.

As such, our environmental management initiatives revolve around being mindful of the energy usage of our office equipment and material consumption, such as:

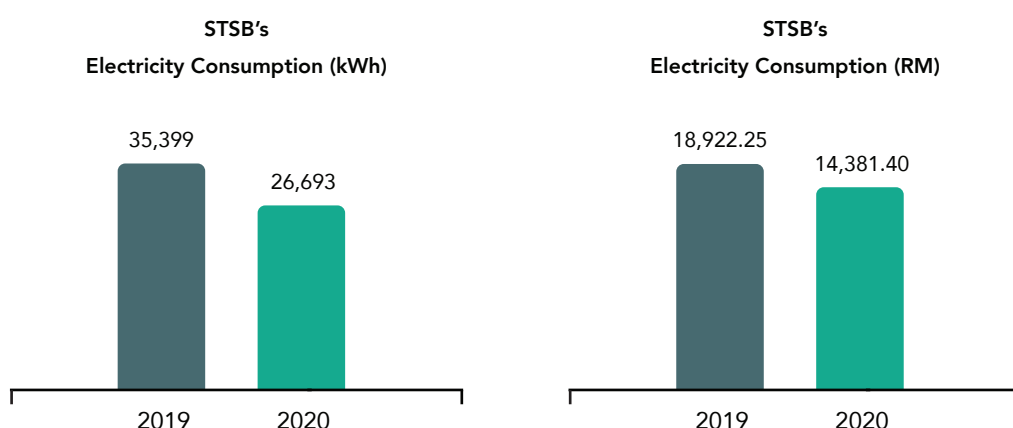


Employees are briefed on these practices during staff induction and reminded periodically during staff meeting to keep these initiatives at the top of mind at all times.

ENERGY CONSUMPTION

Computers and electronic devices are some of the biggest energy users in office buildings, especially for an organisation operating in the ICT sector such as Sedania. We are constantly exploring new ways to better manage our electricity consumption, leveraging our business skills and expertise to enhance our energy efficiency wherever possible.

Among our operating entities, Sedania Technologies Sdn. Bhd. ("**STSB**") is the biggest contributor to our electricity consumption and is therefore tracked to better improve our energy management going forward. The following charts the changes in STSB's electricity consumption for the past two years:



CLIMATE CHANGE

We are also cognisant of potential operational impacts of climate change effects such as natural disasters and extreme weather events' risks on our operating facilities and the sustainability of our supply chains. Growing electricity demand will also greatly increase consumption costs as well as our CO₂ emissions. Hence, combatting climate change is fundamental to our long-term social and economic goals.

As the public and corporations grow increasingly conscious of their carbon footprint, Sedania is well positioned to leverage our proposition as a green technology and digital services provider to offer them solutions to lower their energy consumption, reduce their need to travel and lesson emissions.

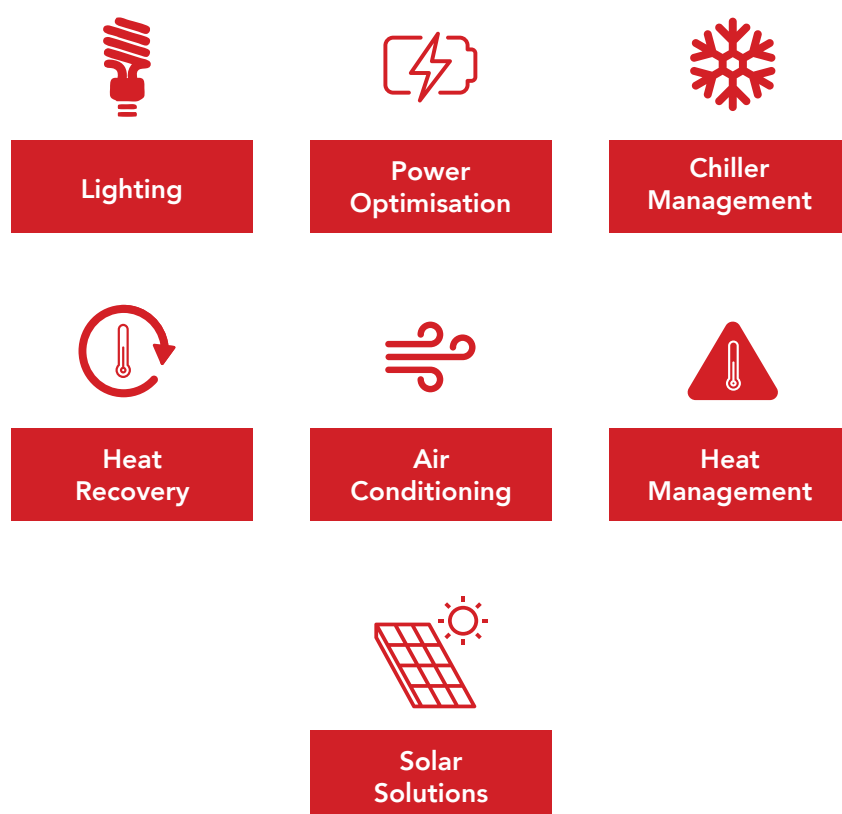
This opportunity was pursued in 2016, as our continuous effort in striving for sustainable energy consumption led to our strategic partnership with a well-established energy services company to execute energy saving projects. Through this collaboration, we invested in the creation of products and solutions that adopt technology to save up to 30% of energy consumption, breathing life to our GreenTech portfolio of solutions and services.

GreenTech focuses on providing design, management, installation, and maintenance of energy-saving solutions for corporations with multiple locations nationwide, particularly in the telecommunications, financial, and healthcare industries. Our GreenTech business operates based on a zero-CAPEX profit sharing model – an alternative financing scheme called an Energy Performance Contract ("**EPC**").

Under the EPC, the energy-saving technologies are deployed across all our client's buildings and branches without the need of an outright purchase or CAPEX investment from the client. Instead, the green technology solutions are financed through savings on their monthly electricity bills, which will then be shared between the client and Sedania over a few years.

By lowering the barrier for entry, we have fast-tracked the adoption of green technology among Malaysian corporations, helping our nation reduce our carbon footprint through efficient energy management. To date, we have installed our energy saving devices and solutions in over 364 buildings across the nation, with electricity savings ranging from 18% to 25%. The cumulative reduction of energy consumption amounts to 65.4 Gwh, which is equivalent to 45,396 metric tonnes of CO2 reduction or over 765,318 of trees planted.

Our current energy efficiency and energy saving technology portfolio includes:



We will progressively expand the range and scope of our GreenTech services to effect even greater reductions in energy consumption and carbon emissions to play our part in combating climate change.

COMMUNITY DEVELOPMENT

Sedania is committed to play our role as a responsible corporate citizen to contribute our time and effort towards the development of sustainable and inclusive communities. Over the past few years, we have been active in supporting local causes and developing several community outreach programmes such as the MDEC Digital Ninja, Pledge and Plant a Tree, and our yearly Ramadan Buka Puasa Charity Event.

Since 2017, every week during Ramadan, Sedania Group collaborated with Yayasan Rosni Noor to distribute 700 free bowls of bubur lambuk each time. These were distributed to charity homes, students, VADS Berhad's OKU employees and the public at Kelana Parkview Tower and Pos Malaysia Kelana Jaya. However due to the pandemic in 2020, we have not been able to organise this Ramadan event or any other Corporate Social Responsibility ("CSR") events during the year under review.

We are looking forward to resuming these programmes after the pandemic and continue promoting community engagement to create a sense of community among the marginalised and help deliver sustainable long term benefits for society. We will continue supporting Yayasan Rosni Noor in extending financial assistance and development support to their three main target groups – orphans, single mothers and their children, and poor communities including Muslim reverts (*mualaf*).

This commitment is championed by our employees, many who volunteer their services with Yayasan Rosni Noor and serve as volunteer committee members of Kelana Parkview Tower's surau/ mussollah prayer hall with other Muslim tenants in the building. They are affectionately known as "Geng Surau" among their colleagues at Sedania and had continued to offer their services on a volunteer basis in the year under review at an average of 10 hours per week.

The total corporate donations and community investments made to registered non-profit organisations in FY2020 amounted to RM7,500, which was all channelled to the needy through Yayasan Rosni Noor.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

Corporate governance is ... holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources.

(Sir Adrian Cadbury, 20 September 1999)

The Board's Commitment

Echoing Sir Cadbury's elaboration on corporate governance ("**CG**"), the Board of Directors ("**the Board**") of Sedania Innovator Berhad ("**Sedania**" or "**the Company**") and its subsidiaries ("**the Group**" or "**Sedania Group**") are committed towards ensuring that good CG 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.

As part of this commitment, the Board is pleased to present this CG Overview Statement ("**Statement**") to provide stakeholders with an overview of the extend of compliance with the Practices as set out in the Malaysian Code on Corporate Governance ("**MCCG**") under the stewardship of the Board. This Statement takes guidance from the three (3) key CG principles as set out in the MCCG, which are: -



This Statement also serves as a compliance with Rule 15.25(1) of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and should be read together with the CG Report 2020 of the Company, which is available for public access on the Company's website at:-

www.sedaniainnovator.com



The CG Report 2020 provides the detailed explanations on how Sedania Group has applied each Practice as set out in the MCCG during the financial year ended 31 December 2020 ("**FYE 2020**") and/or up to 30 April 2021, being the latest practicable date (where applicable) (hereinafter referred to as "**Applicable Period**").

Sedania's CG Journey

The Board is pleased to provide an update to the CG practices of Sedania Group during the Applicable Period. Despite the challenging operating environment due to the outbreak of the Coronavirus Disease ("**Covid-19**") pandemic, the Board wishes to reiterate that CG remains as one of Sedania's key pillars amid the constant changes in our volatile operating environment.

During the Applicable Period, the Company Secretary has tabled to the Board the CG Monitor 2020 which was issued by the Securities Commission Malaysia ("**SC**") in October 2020, whereby SC took several proactive measures, including temporary relief efforts to support companies as they face the challenges brought on by the Covid-19 pandemic to ensure that markets continue to operate in an orderly manner. The Company Secretary has briefed the Board on the findings of the CG Monitor 2020 in order for the Board to deliberate and review the CG performance of Sedania as compared to the general levels CG applications as reported in the CG Monitor 2020, and to identify areas of improvement for Sedania.

Sedania's Key Focus Areas for CG

For the Applicable Period, Sedania's key focus areas for CG are as follows: -

Sedania's Key CG Focus Areas: -

Practice 1.1: Key Responsibilities of the Board



Practice 1.3: Chairman and Managing Director (MD) are separate person



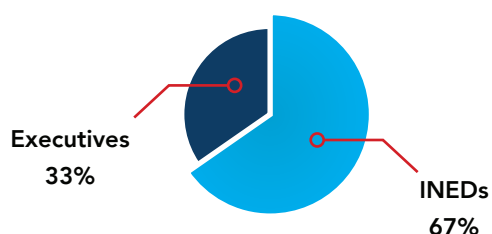
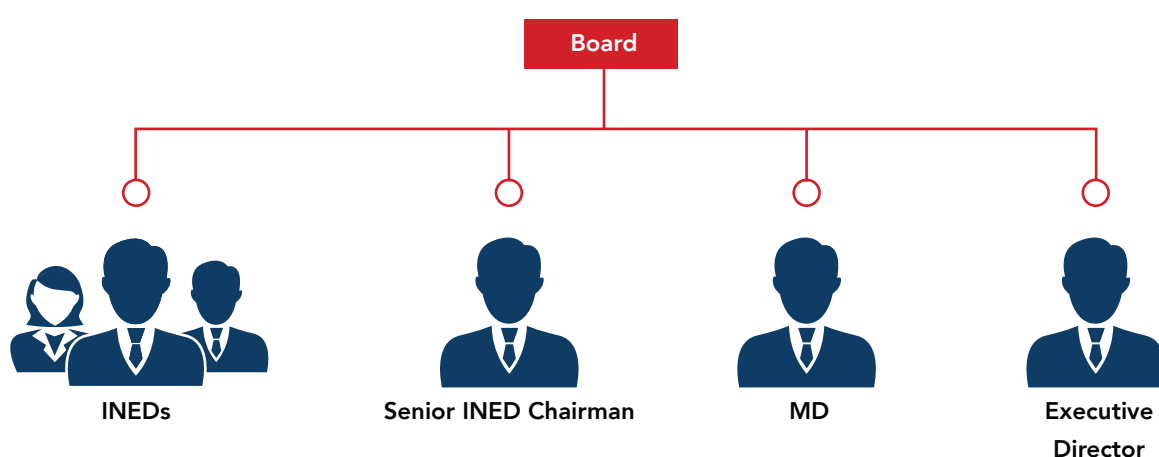
Chairman
Tan Sri Abdul Halim
Bin Ali

Distinctly separate the positions of the **Chairman** and **MD** which promotes accountability and facilitate division of responsibilities between them



MD
Datuk Noor Azrin
Bin Mohd Noor

Practice 4.1: Independent Board Composition



- ✓ Rule 15.02(1) of the ACE LR, one-third (1/3) Independent Directors
- ✓ Practice 4.1 of the MCCG, at least half of the Board comprises Independent Directors

Step Up Practice 8.4: Independent Audit Committee



Audit Committee

Independent Directors only

Practice 9.0: Risk Management and Internal Control



Audit & Risk Management Committee

Enhancement of Roles
- Risk Management Oversight

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1. Duties and responsibilities of the Board

The Board is responsible for the leadership, oversight and long-term success of the Group. The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the principal responsibilities in discharging its fiduciary and leadership functions, as guided by the Board Charter. For the Applicable Period, the Board undertakes the: -

- (a) reviewing and adopting a strategic plan for the Company, including its goals and ensuring that the strategic business plan of the Company supports long-term value creation and includes strategies on economic, environment and social considerations underpinning sustainability;
- (b) overseeing the conduct of the Group's business and evaluating whether or not its businesses are being properly managed;
- (c) understanding principal risks, set the risk appetite within which the Board expects the Management to operate and ensuring the implementation of appropriate systems to manage the significant financial and non-financial risks and ensuring there is a sound framework for internal controls and risk management;
- (d) ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board;
- (e) overseeing the development and implementation of a shareholder communications policy;
- (f) reviewing the adequacy and integrity of the Group's internal control and management information systems; and
- (g) ensuring that the Company adheres to high standards of ethics and corporate behavior.

To assist in the discharge of its stewardship role, the Board has established several Board Committees, namely the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**"), Remuneration Committee ("**RC**") and Employees' Share Option Scheme ("**ESOS**") Committee to examine specific issues within their respective terms of reference ("**TOR**") as approved by the Board and thereafter report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Covid-19 pandemic and the Board's response

The Covid-19 pandemic has had and continues to have a profound impact on Sedania's business operations. In order for the Board to be able to effectively monitor the Group's crisis management measures, for the Applicable Period, the Board has committed additional time in ad-hoc Board meetings to monitor the development and followed through the initiatives undertaken by the Group for the continuity of its business operations whilst constantly fostering a safe working environment for its employees.

The Board has been mindful of its responsibilities in protecting the interest of shareholders, notwithstanding the Covid-19 pandemic. The Board has reminded Management to ensure the Company's response against the Covid-19 pandemic be appropriately communicated to its key stakeholders in order for the latter to make informed choices during this period of crisis.

2. Key Responsibilities of the Chairman

Tan Sri Abdul Halim Bin Ali, the Chairman of the Board, leads the Board with a keen focus on governance and compliance. His key responsibilities as a Chairman of the Board, include but not limited to the following:-

- (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) Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- (c) Leading Board meetings to ensure robust decision making;
- (d) Encouraging active participation and allowing dissenting views to be freely expressed by Board members to tap the wisdom of all the Board members and to promote consensus building as much as possible;
- (e) Facilitating the Board and Management interface by acting as the conduit between the two parties;
- (f) Leading the Board in establishing and monitoring good corporate governance practices in the Company;
- (g) Facilitating the selection and appointment of a successor to the Managing Director; and
- (h) Acting as a spokesperson for the Board and the Company.

3. Separation of the positions of Chairman and Managing Director

The position of the Board Chairman and the Managing Director are held by separate individuals and they are not related to each other. Their roles are kept separate to ensure a clear division of responsibilities and an appropriate balance of power and authority. In this regard, no one individual can influence the Board's discussions and decision-making.

Generally, the Chairman will lead the Board in its collective oversight of Management, while 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. The Chairman has never assumed an executive position in the Company. 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. Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Chua Siew Chuan, FCIS and Mr. Cheng Chia Ping, ACIS. Being members of the Malaysian Institute of

Chartered Secretaries and Administrators (MAICSA), both of the Company Secretaries are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 ("CA 2016"). Further, both of them have also obtain their practicing certificates, respectively from the Companies Commission of Malaysia pursuant to Section 241(1) of the CA 2016.

Further details on the qualifications and experiences of the Company Secretaries are outlined in the CG Report 2020, which are available for viewing on the Company's corporate website at www.sedaniainnovator.com.

The Board have unrestricted access to the advice and support of the Company Secretaries in relation to the Board policies and procedures, compliance of applicable rules and regulations by the Group and CG related practices.

For FYE 2020, the Board is satisfied with the performance and supports rendered by the Company Secretaries to the Board in discharging its functions.

5. Timely circulation of meeting materials

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 Meetings of the Board and Board Committees are convened between the scheduled meetings to consider urgent matters that require expeditious decision or deliberation by the Board and Board Committees.

The Notice of the scheduled Board and Board Committees meetings were served to the members of the Board and Board Committees at least seven (7) days prior to the Meeting unless there is an exceptional case.

In order for the Board and Board Committees meetings to be more effective and in-depth deliberations of matters are achieved, the meeting agenda 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 and Board Committees.

For FYE 2020, the Management had leverage on the usage of technology where Board papers were circulated to the Directors in electronic form via email prior to the Board Meetings so as to accord sufficient time for the Directors to peruse the Board paper. A full agenda and comprehensive Board papers are circulated to all Directors at least five (5) business days prior to the meetings.

Subsequent to the Board Meetings, the minutes will be circulated to the Board for confirmation to ensure on the accuracy of the proceedings recorded. The Chairman of the Board meeting signs the minutes as a correct record of the proceedings and thereafter, the signed minutes are kept in the statutory book at the registered office of the Company to be made available for inspection under the CA 2016.

6. Board Charter

In compliance with Practice 2.1 of the MCCG, the Board has a Board Charter which clearly outlines the respective roles and responsibilities of the Board, Board Committees, individual directors and Management, as well as issues and decisions reserved for the Board, membership and operation of the Board, adopting principles of good CG and practice, in accordance with applicable laws in Malaysia.

The Board Charter is applicable to all Directors of the Company and, amongst other things, provides that all Directors must avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

The Board Committees in performing their responsibilities delegated by the Board would be guided by the TOR of each of the Board Committees as approved by the Board.

The Board Charter shall be reviewed periodically and may be amended by the Board from time to time to ensure that the practices of the Board are consistent with the prevailing code of corporate governance, laws and/or regulations and reflects the Board's commitment to best practice in corporate governance.

The Board Charter is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

7. Code of Conduct and Business Ethics

In compliance with Practice 3.1 of the MCCG, the Board has formalised a Code of Conduct and Business Ethics ("**the Code**") for its Directors and employees to promote an ethical framework, policies and conduct throughout the Group. The Code serves as guidance on the standard of behaviour expected of all employees in the discharge of their duties and/or dealings with the Company to maintain high standards of business ethics and integrity.

The guiding principles of the Code are as follows: -

- Core values and culture;
- Duties of good faith, fidelity, diligence and integrity;
- Workplace culture and environment; and
- Discipline, disciplinary process and sanctions.

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

The Code is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

8. Whistleblowing Procedures

As recommended by Practice 3.2 of the MCCG, the Group has in place a whistleblowing policy ("**Policy**") which provide an avenue for all employees of the Group and members of the public 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 designated person as outlined in the Policy through verbal communication or in writing. The Management will ensure that any employee of the Group 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 Policy is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

For the Applicable Period, no whistleblowing report has been received by the designated person.

In line with the amendment to the ACE LR of Bursa Securities to encapsulate anti-corruption measures in support of the National Anti-Corruption Plan 2019-2023 of Malaysia, the Board had established and adopted the Anti-Bribery and Corruption Policy ("**AB & C Policy**") in which the Group is committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009 ("**MACC 2009**") and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

The AB & C Policy provides principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group.

This AB & C Policy applies to all individuals working for the Group and all companies within the Group at all levels and grades, the Board and any third party associated with the Group.

The AB & C Policy is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

PART II – BOARD COMPOSITION

1. Size and Composition of the Board

For FYE 2020, the Board comprises six (6) members, of which, four (4) or 66.67% were Independent Non-Executive Directors (“INEDs”) and the remaining two (2) or 33.33% were Executive Directors (“EDs”).

This composition fulfils the requirement as set out in Rule 15.02(1) of the ACE LR of Bursa Securities, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

This also applies to Practice 4.1 of the MCCG where at least half of the Board comprises independent directors. This independent element brings an objective and independent judgement to the decision-making process of the Board.

The Board members comprise high calibre individuals with diverse professional backgrounds, skills and extensive experience and knowledge in their respective fields. Together, the directors with their wide range of competencies, capabilities, technical skills and relevant business experience add value in governing the strategic direction of the Company.

The EDs are generally responsible for making and implementing operational decisions whilst the INEDs support the skills and experience of the EDs, contributing to the formulation of policy and decision-making with their knowledge and experience in other business sectors to ensure that proper check and balances are in place in Board decisions and implementation of policies.

The Board is of the view that the current composition is appropriate given the nature of business and scale of operations of the Group. The current Board structure also ensures that no individual or group of individual dominates the Board’s decision making.

The profiles of the members of the Board are provided in the 2020 Annual Report as set out on pages 39 to 45.

2. Tenure of Independent Directors

The NC assessed the independence of the INEDs annually and is satisfied with the level of independence demonstrated by all the independent directors and their ability to act in the best interest of the Company.

The tenure of the INED should not exceed a cumulative term of nine (9) years. Should the Board intend to retain the INED as independent director after serving beyond nine (9) years, then the Board would justify and seek shareholders’ approval before the said independent director can continue to act in such capacity. If the Board continues to retain the independent director after twelfth (12th) year, the Board may seek annual shareholders’ approval through a two-tier voting process.

None of the INEDs has exceeded the tenure of a cumulative term of nine (9) years in the Company as at 31 December 2020.

3. Procedures for Appointment of Directors and Senior Management

The Board has entrusted the NC with the duty to review candidates for the Board and key senior management positions taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, competence, professionalism, integrity and with due regards to gender diversity as well. While the RC is responsible to determine the appropriate remuneration packages for these appointments.

In the event that candidate is required for the appointment of Director, the NC would use variety of approaches and sources to ensure that it identifies the most suitable candidates and will not limit themselves by solely rely on the recommendations from existing Board members, management or major shareholders.

During the FYE 2020, there was no new Director being appointed to the Company and the Group.

4. Boardroom Diversity

The Board is cognisant of the gender diversity recommended by MCCG and believes that diversity in the Board's composition will bring values to Board deliberation.

The Board does not have specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and does not have specific policy on setting target for female candidates in the workplace. The Board is of the view that all candidates shall be given fair and equal treatment.

The Board recognises the benefit of gender diversity and affirmed that gender diversity will be one of the criteria to be considered by the NC during their evaluation process on potential candidate(s) for Board memberships. The Board currently has one (1) woman Director, equivalent to 16.67% women representation on Board.

The Board is satisfied with the current composition of its member and is of the view that the Board is able to discharge its duties effectively with the current mix of skills, knowledge, experience and strength.

5. Board Committees

The Board has delegated certain responsibilities to the Board Committees to assist it in discharging its fiduciary duties. All the Board Committees operate within clearly defined TOR.

- **Nomination Committee**

The NC is chaired by Tan Sri Abdul Halim Bin Ali, a Senior INED. For FYE 2020, the NC comprises exclusively INEDs and the composition of the NC is as follows: -

Name	Designation	Directorate
Tan Sri Abdul Halim Bin Ali	Chairman	Senior Independent Non-Executive Director
Datuk Syed Izuan Bin Syed Kamarulbahrin	Member	Independent Non-Executive Director
Norliza Binti Kamaruddin	Member	Independent Non-Executive Director

The NC is governed by its TOR which outlines its remit, duties and responsibilities and the same is available for viewing under the “Our Investors – Corporate Governance” section of the Company’s website at www.sedaniainnovator.com.

Summary of Works

During the financial year under review, the NC held two (2) meetings to deliberate on matters including the following: -

- Reviewed and confirmed the Minutes of the preceding NC Meeting;
- Reviewed the performance of the key senior management of the Group;
- Evaluated the contribution and performance of each individual director;
- Reviewed and assessed the annual performance and effectiveness of the Board and the Board Committees as a whole;
- Reviewed the term of office and performance of the ARMC and each of its members;
- Reviewed and assessed the annual independence assessment of the Independent Directors;
- Reviewed and assessed the composition of the Board Committees; and
- Reviewed and assessed the performance and making recommendations to the Board regarding the Directors who are seeking for re-election at the AGM.

- **Remuneration Committee**

The membership of the RC and summary of the works carried out by the RC to discharge their duties during the FYE 2020 is stated in **Principle A, Section II Paragraph (8)** of this Statement.

- **Audit and Risk Management Committee**

The membership, a summary of the activities of the ARMC and Internal Audit Function and Activities in respect of the FYE 2020 are stated in the **ARMC Report** of this Annual Report.

- **Employees' Share Option Scheme Committee**

The ESOS Committee is formed to administer the ESOS established by the Company with effect from 5 November 2015. The composition of the ESOS Committee during the FYE 2020 are as follows: -

Name	Designation	Office Designation
Tan Sri Abdul Halim Bin Ali	Chairman	Senior Independent Non-Executive Director
Datuk Syed Izuan Bin Syed Kamarulbahrin	Member	Independent Non-Executive Director
Lau Kin Wai	Member	Independent Non-Executive Director
Norliza Binti Kamaruddin	Member	Independent Non-Executive Director
Daniel Bernd Ruppert	Member	Chief Executive Officer
Rizalzin Hashim Bin Mohammed	Member	Chief Financial Officer

The following works were undertaken by the ESOS Committee during the FYE 2020: -

- (i) Reviewed and confirmed the Minutes of the preceding ESOS Committee Meeting;
- (ii) Administer the ESOS Scheme;
- (iii) Reviewed and assessed the proposed ESOS Scheme for the eligible directors (including non-executive directors) and employees of the Group; and
- (iv) Reported to the ARMC and the Board at every quarterly meeting if there is any offer of ESOS Options to the eligible persons.

The ESOS Committee is governed by its TOR which outlines its remit, duties and responsibilities and the same is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

6. Annual Assessment

In compliance with Practice 5.1 of the MCCG, the Board has delegated to the NC to conduct annual Board evaluation to review the skills and experience of each individual Director and assess the effectiveness of the Board and Board Committee as a whole.

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 NC were properly documented.

7. Time Commitment and Directors' Training

The Board reviewed the results of the Directors' performance evaluation in the Board meeting held on 3 May 2021 and is generally satisfied with the current size, composition as well as the mix of skill sets and independence of its INEDs.

For FYE 2020, the Directors have committed a total of 40 hours 35 minutes in discharging their fiduciary duties and oversight function in Board and Board Committee Meetings, as well as AGM:-

Directors	Time Committed
Board of Directors' Meetings	16 hours 35 minutes
Audit and Risk Management Committee Meetings	20 hours 25 minutes
Nominating Committee Meetings	1 hour 35 minutes
Remuneration Committee Meeting	1 hour
Annual General Meeting	1 hour
TOTAL	40 hours 35 minutes

During the financial year under review, the Board held nine (9) meetings 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 Rule 15.05(3)(c) of the ACE LR of Bursa Securities. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities.

The meeting attendance of the Board and Board Committees during the financial year under review is as follows:

General Meeting

Directors	Number of Meetings attended/ held in FYE 2020	%
Tan Sri Abdul Halim Bin Ali (Chairman)	1/1	100.00
Datuk Noor Azrin Bin Mohd Noor	1/1	100.00
Datuk Syed Izuan Bin Syed Kamarulbahrin	1/1	100.00
Datuk Noor Syafiroz Bin Mohd Noor	1/1	100.00
Lau Kin Wai	1/1	100.00
Norliza Binti Kamaruddin	1/1	100.00

Board Meetings

Directors	Number of Meetings attended/ held in FYE 2020	%
Tan Sri Abdul Halim Bin Ali (Chairman)	9/9	100.00
Datuk Noor Azrin Bin Mohd Noor	9/9	100.00
Datuk Syed Izuan Bin Syed Kamarulbahrin	9/9	100.00
Datuk Noor Syafiroz Bin Mohd Noor	9/9	100.00
Lau Kin Wai	8/9	88.89
Norliza Binti Kamaruddin	9/9	100.00

NC Meetings

Members	Number of Meetings attended/ held in FYE 2020	%
Tan Sri Abdul Halim Bin Ali (Chairman)	2/2	100.00
Datuk Syed Izuan Bin Syed Kamarulbahrin	2/2	100.00
Norliza Binti Kamaruddin	2/2	100.00

RC Meeting

Members	Number of Meetings attended/ held in FYE 2020	%
Norliza Binti Kamaruddin (Chairperson)	1/1	100.00
Tan Sri Abdul Halim Bin Ali	1/1	100.00
Datuk Syed Izuan Bin Syed Kamarulbahrin	1/1	100.00

The attendance of the ARMC Meetings held during the FYE 2020 is stated in the **ARMC Report** in this Annual Report.

Prior to accepting new directorships, the Director will notify the Chairman and inform him of the expected time commitment for the new appointment accordingly. The Directors are also required to submit a timely update on their other relevant directorship and shareholdings to the Company Secretaries, who will update the Board. Such information is used to monitor the number of directorships held by the Directors and to notify the Companies Commission of Malaysia accordingly, if so required.

None of the Directors of the Company held more than five (5) directorships in public corporations listed on Bursa Securities.

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges faced by the Board. 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 programs on regular basis.

For the Applicable Period, 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. The list of trainings/ conferences/ seminars and/or workshops attended by each of the Directors are as follows:-

Directors	List of Trainings / Conferences / Seminars / Workshops Attended / Participated
Tan Sri Abdul Halim Bin Ali	<ul style="list-style-type: none"> Corporate Liability and AMLA Training (2nd Session) 4th Distinguished Board Leadership “Risks: A Fresh Look from the Board’s Perspective” Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Managing Political Risk Forum HalaTuju Pendidikan Tinggi Malaysia – “Universiti Di Persimpangan?” AKEPT Global Series: University Presidents Forum in collaboration with UKM ‘Value-Based Leadership in ASEAN Higher Education’ SAC, Board and MANCO Session 2020 Cybersecurity Awareness Programme for Board of Directors 5th Distinguished Board Leadership – Climate Action: The Board’s Leadership in Greening the Financial Section” Integrated Reporting Workshop
Datuk Noor Azrin Bin Mohd Noor	<ul style="list-style-type: none"> Awareness of MACC 17A & Corruption, Bribery and Legal Requirement
Datuk Syed Izuan Bin Syed Kamarulbahrin	<ul style="list-style-type: none"> J.P. Morgan Outlook 2020 J.P. Morgan: Perspectives From Jamie Dimon on the COVID-19 Pandemic PwC Malaysia COVID-19: Recovery and Resilience / Global Mobility Priorities J.P. Morgan: Top Market Takeaways – Running with the A-share bulls Bank of Singapore in partnership with Ernst & Young Webcast, ESG: Why Should It Matter? J.P. Morgan Tech Exchange 2020 Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Bank of Singapore Market Watch LIVE: Markets at a Crossroads PwC Malaysia’s Budget 2021 Webinar
Datuk Noor Syafiroz Bin Mohd Noor	<ul style="list-style-type: none"> Awareness of MACC 17A & Corruption, Bribery and Legal Requirement
Lau Kin Wai	<ul style="list-style-type: none"> Awareness of MACC 17A & Corruption, Bribery and Legal Requirement
Norliza Binti Kamaruddin	<ul style="list-style-type: none"> Awareness of MACC 17A & Corruption, Bribery and Legal Requirement Director Strategic Thinking Series – Optimising Risk and Resilience Planning to Manage Disruptions GRC – “The Importance of GRC System in Business Sustainability and How They are Intertwined to Provide Reasonable Assurance to the Audit Committee and Board” Defending Your Company & Keeping up to date with Key Cybersecurity Risks in 2020

In addition, the Company Secretaries and external auditors update the Board on a regular basis the respective changes and amendments to the regulatory requirements and laws and accounting standards to help Directors keep abreast of such developments.

2021 Training Needs of the Directors

During the Applicable Period, the NC has conducted a review of the training needs of the Directors for year 2021. Upon reviewed, the NC encouraged the Directors to attend at least one (1) continuing education programme in year 2021, whereby it should be in relation to the corporate governance, sustainability, or any other applicable topics which would aid in their discharge of fiduciary/ statutory duties as Directors.

8. Remuneration Committee

The members of the RC comprise exclusively of INEDs that assist the Board in reviewing and recommending the proposed remuneration packages of Directors and senior management of the Company. The composition of the RC is as follows: -

Name	Designation	Directorate
Norliza Binti Kamaruddin	Chairperson	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 RC's authority and duties as well as functions are clearly defined in the TOR of the RC, which is available for viewing under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

Summary of Works

The following works were undertaken by the RC during the financial year under review: -

- (i) Reviewed and confirmed the Minutes of the preceding RC Meeting;
- (ii) Reviewed the Directors' fees payable to the Non-Executive Directors and recommended the same to the Board for consideration;
- (iii) Reviewed the benefits payable to the Non-Executive Directors and recommended the same to the Board for consideration; and
- (iv) Reviewed the Directors' remuneration payable to Non-Executive Directors of a wholly-owned subsidiary of the Company.

9. Directors' Remuneration

Details of the aggregate remuneration of the Directors during the FYE 2020 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	-	604,800	86,999	-	119,167	810,966
Datuk Noor Syafiroz Bin Mohd Noor	-	288,000	48,202	-	120,960	457,162
Non-Executive Directors:						
Tan Sri Abdul Halim Bin Ali	48,000	-	-	14,800	6,667	69,467
Datuk Syed Izuan Bin Syed Kamarulbahrin	24,000	-	-	14,800	6,667	45,467
Lau Kin Wai	24,000	-	-	8,600	6,667	39,267
Norliza Binti Kamaruddin	24,000	-	-	14,800	6,667	45,467
Total	120,000	892,800	135,201	53,000	266,795	1,467,796

Group

	Fees RM	Salaries RM	Statutory Contributions RM	Meeting allowance RM	Benefits in-kind RM	Other benefits RM	Total RM
Executive Directors:							
Datuk Noor Azrin Bin Mohd Noor	48,000	604,800	86,999	-	119,167	-	858,966
Datuk Noor Syafiroz Bin Mohd Noor	-	288,000	48,202	-	120,960	-	457,162
Nor Khairi Bin Khalil	-	192,000	25,035	-	-	8,929	225,964
Dato' Wan Mohd Fadzmi Bin Che Wan Othman Fadzilah	13,155	-	-	-	-	-	13,155
Mohamad Rozaimy Bin Abd Rahman	13,155	-	-	-	-	-	13,155
Non-Executive Directors:							
Tan Sri Abdul Halim Bin Ali	48,000	-	-	14,800	6,667	-	69,467
Datuk Syed Izuan Bin Syed Kamarulbahrin	24,000	-	-	14,800	6,667	-	45,467
Lau Kin Wai	24,000	-	-	8,600	6,667	-	39,267
Norliza Binti Kamaruddin	24,000	-	-	14,800	6,667	-	45,467
Total	194,310	1,084,800	160,236	53,000	266,795	8,929	1,768,070

For the FYE 2020, the aggregate remuneration of the Senior Management members is not disclosed as the Board feels that it is inappropriate to disclose them and has opt 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.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT COMMITTEE

1. Separation of the positions of the chair of the ARMC and the Board

In compliance with Practice 8.1 of the MCCG, the ARMC is chaired by Datuk Syed Izuan Bin Syed Kamarulbahrin, who is a separate person from the chair of the Board.

The membership, a summary of the activities of the ARMC and Internal Audit Function and Activities in respect of the FYE 2020 are stated in the **ARMC Report** of this Annual Report.

2. No appointment of former key audit partners as member of the ARMC

In compliance with Practice 8.2 of the MCCG, the TOR of the ARMC has been updated accordingly to formalise the Company's policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC.

None of the members of the Board or Board Committees were former key audit partners and notwithstanding the above provision and in order to uphold the utmost independence, the Board and Board Committees have no intention to appoint any former key audit partner as a member of the Board and Board Committees.

3. Assessment on external auditors

In compliance with Practice 8.3 of the MCCG, the ARMC has policies and procedures to assess the suitability, objectivity and independence of external auditors taking into account relevant professional and regulatory requirements and the relationship with the auditors as a whole, including the provision of any non-audit services. The outcome of the assessment would form a basis of the ARMC in making recommendation to the Board on the re-appointment of the external auditors for the ensuing year at the AGM.

The ARMC meets the external auditors concurrently three times a year to discuss their audit plan, audit findings and the Company's financial statements. The ARMC also had meeting with the external auditor without the participation of the Management team of the Group. This encourages independence and open dialogue between both parties.

Upon completion of its assessment, the ARMC was satisfied with Messrs. BDO PLT's competency i.e. suitability and independence during the financial year under review and recommend to the Board the re-appointment of Messrs. BDO PLT as external auditors for the financial year ending 31 December 2021. The Board had in turn, recommended the same for shareholders' approval at the forthcoming Seventh Annual General Meeting ("**7th AGM**") of the Company.

4. Skillsets of ARMC

The ARMC has conducted self and peer evaluation to assess the performance and skillsets of the individual ARMC members and their peers. The evaluation results were compiled by the Company Secretaries and tabled for the NC's review. Based on the results of the assessments, all members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities.

Updates on developments in accounting and governance standards are presented by the external auditors at the ARMC meetings. The members of the ARMC have attended various continuous training and development programs as detailed in **Principle A, Section II Paragraph 7** in this Statement.

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

1. Risk Management and Internal Control Framework

In compliance with Practice 9.1 of the MCCG, the Board has established a framework for risk management and internal control. Set out in this Annual Report, the Board's Statement on Risk Management and Internal Control ("**SORMIC**") for the FYE 2020, outlines the nature and scope of risk management and internal control of the Group and covers all the Group's operations.

On 29 February 2016, the Audit Committee was renamed to **Audit and Risk Management Committee** with an enhanced role of risk management oversight.

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

The ARMC is responsible to assess that proper processes exist for determining, monitoring and reviewing the risk profile of the Groups and the effective communication to the relevant business units.

2. Key Features of Risk Management and Internal Control Framework

The key features of the Company's risk management and internal control framework, which covers their adequacy and effectiveness are disclosed under the **SORMIC** of this Annual Report.

3. Internal Audit Function

The Group's internal audit ("**IA**") function is outsourced to an independent professional consulting firm and reports directly to the ARMC.

The 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's review of the Group's operations encompasses an independent assessment of the Company's compliance with its internal controls and recommendations are made for further improvement.

Having reviewed and assessed the adequacy of the scope, functions, competency and resources of the internal audit function of the Group, 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 IA function, taken the decision to continue with the outsourcing of the IA function.

Further details of the IA Function have been disclosed under the **ARMC Report** of this Annual Report.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

1. Communication with Stakeholders

(a) Corporate disclosures / Investor relations

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 LR 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 EDs authorise and are responsible for approving the release of all major communications to the regulators, shareholders and stakeholders.

(b) Corporate website

To further enhance communication with investors and shareholders, the Company has an "Our Investors" section on the Company's website at www.sedaniainnovator.com which provides a platform for the shareholders and potential investors to direct their enquiries on the Company.

(c) AGM/General Meeting

Another key avenue of communication with its stakeholders is the general meeting of the Company, which provides a useful forum for shareholders to engage directly with the Company's Directors. During the general meeting, shareholders or proxies appointed by the shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors.

The Chairman and/or any Directors will avail themselves to provide responses to any questions raised by shareholders at the general meetings.

PART II – CONDUCT OF GENERAL MEETINGS

1. Notice of AGM

The Notice of the 6th AGM of the Company was circulated and published on 12 May 2020, which was more than 28 days prior to the date of AGM scheduled to be held on 29 June 2020. The Notice of the 6th AGM, which sets out the businesses to be transacted at the 6th AGM, was also published in a major local newspaper.

The notes to the Notice of the 6th AGM also provide detailed explanation for better understanding on the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make informed and proper decisions in exercising their voting rights.

2. Directors' Commitment

All the Directors were present at the 6th AGM of the Company held on 29 June 2020 to engage directly with the shareholders and be accountable for their stewardship of the Company.

The proceedings of the AGM included the presentation of financial statements to the shareholders, and a question and answer session in which the Chairman of the AGM would invite shareholders to raise questions on the Company's financial statements and other items for adoption at the AGM, before putting a resolution to vote.

The EDs ensure that sufficient opportunities are given to shareholders to raise issues relating to the affairs of the Company and that adequate responses are given.

The Chairmen of the Board Committees were also readily available to address the questions posted by the shareholders at the general meetings.

3. Voting Format

Rule 8.31A of the ACE LR of Bursa Securities requires that any resolution set out in the notice of general meetings, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting be voted by poll. The Company had conducted its voting on all resolutions at the 6th AGM held on 29 June 2020 by polling in line with the requirement of the ACE LR of Bursa Securities. An independent scrutineer was also appointed to scrutinise the polling process.

The Board will consider and explore the suitability and feasibility of adopting electronic voting to facilitate greater shareholders participation at general meetings and to ensure accurate and efficient outcomes of the poll voting process.

Subject to budget constraints, the Board will also explore the use of technology to allow voting in absentia or remote shareholders' participation. The Board will assess the necessity and viability for such facility taking into consideration the number of shareholders, the reliability of the technology and cost-benefits to the Company.

Key CG future priorities for financial year ending 31 December 2021 ("FYE 2021")

1. Business Sustainability amid Covid-19 pandemic

Following the imposition of the various types of Movement Control Orders ("MCO") by the Government to curb the spiking of the Covid-19 spread coupled with restricted inter-state and inter-district travelling nationwide, the continuing impact of the Covid-19 pandemic is predicted to prolong for FYE 2021.

The Group remain vigilant and will continue to put sharper emphasis on working capital management, cost optimisation and take appropriate and timely action to minimise the possible impacts caused by the Covid-19 pandemic in ensuring business sustainability.

2. Strengthening the Group's overall CG Framework

As promulgated by the SC on the importance of a formal group governance structure to enhance good corporate governance culture and practices within the Group, of which the Company has already carried out certain group governance practices judiciously, the Board will be looking at formalising a group governance framework for the FYE 2021.

CONCLUSION

The Board is satisfied that, it complies substantially with the Practices of the MCCG during the Applicable Period.

This CG Overview Statement and the CG Report were approved by the Board of Directors on 3 May 2021.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT




The Board of Directors ("**the Board**") of Sedania Innovator Berhad ("**the Company**") is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 31 December 2020 ("**FYE 2020**") which provides insights to the manner in which the ARMC had discharged its functions during the FYE 2020, in compliance with Rule 15.15(1) of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Malaysian Code on Corporate Governance ("**MCCG**").

AUTHORITY

Pursuant to Clause 16.1(a) of the Board Charter, the Board has established an ARMC to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and its subsidiaries ("**the Group**"). In addition, the ARMC also assisted in fulfilling the Board's stewardship accountability to its shareholders and financial stakeholders. The ARMC is committed to its role in ensuring the integrity of the Group's financial reporting process and monitoring the management of risk and system of internal controls, external and internal audit process, and such other matters that may be specifically delegated to the ARMC by the Board.

Compliance Dashboard

The ARMC is pleased to provide below a snapshot of the key Corporate Governance compliance by the ARMC for the FYE 2020:-

MCCG Practices	Applications by the Company	
<p>Practice 8.1</p> <p>Chairman of the Audit Committee is not chairman of the Board</p>	<p>Chairman of the Board</p>  <p>Tan Sri Abdul Halim Bin Ali</p>	<p>Chairman of the ARMC</p>  <p>Datuk Syed Izuan Bin Syed Kamarulbahrin</p>
<p>Step-up Practice 8.4</p> <p>The Audit Committee comprises solely of independent directors</p>	<p>The ARMC comprises solely of three (3) INEDs</p>  <p>INEDs</p>	

1. COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors (“INEDs”) who satisfied the test of independence under the ACE LR of Bursa Securities. The current composition of the ARMC complies with Rules 15.09(1)(a) and (b) of the ACE LR of Bursa Securities and Step-Up Practice 8.4 of the MCCG. 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 current composition of the ARMC are as follows:-

Name	Designation	Directorship
Datuk Syed Izuan Bin Syed Kamarulbahrin	Chairman	Independent Non-Executive Director
Tan Sri Abdul Halim Bin Ali	Member	Senior Independent Non-Executive Director
Norliza Binti Kamaruddin	Member	Independent Non-Executive Director

The Audit Committee of the Company was established on 25 July 2014 and subsequently renamed as Audit and Risk Management Committee on 29 February 2016, to incorporate the additional oversight on risk management activities of the Company and the Group.

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. He is not the Chairman of the Board. The ARMC, therefore meets the requirements of Rule 15.09(1)(c) of the ACE LR of Bursa Securities and Practice 8.1 of the MCCG.

2. MEETINGS AND ATTENDANCES

A total of nine (9) ARMC meetings were held during the FYE 2020. Details of attendance of each member at the ARMC meetings were as follows:-

Members	Number of Meetings attended in FYE 2020
Datuk Syed Izuan Bin Syed Kamarulbahrin	9/9
Tan Sri Abdul Halim Bin Ali	9/9
Norliza Binti Kamaruddin	9/9

The Chairman of the ARMC reports to the Board on principal matters deliberated at the ARMC meetings. Minutes of each ARMC meeting were recorded by the Company Secretaries and tabled for confirmation at the following ARMC meeting and subsequently presented to the Board for their notation.

In addition, the Group Executive Director, Group Chief Executive Officer, Group Chief Financial Officer, key management, External Auditors and outsourced Internal Auditors were invited by the ARMC to attend the ARMC meetings on an as-needed basis to provide and present reports or information during the deliberation of matters pertaining to their respective areas.

The ARMC also had private discussion sessions with the External Auditors without the presence of Management where they were given opportunity to raise any concern or professional opinion and thus, to be able to exert its functions independently.

3. ASSESSMENT ON TERM OF OFFICE AND PERFORMANCE OF THE ARMC

The Nomination Committee ("NC") had on 2 April 2020, reviewed the term of office and performance of the ARMC as well as whether its members have carried out their duties in accordance with the Terms of Reference ("TOR") of the ARMC for the FYE 2020.

Upon reviewed, the NC is satisfied with the overall performance of the ARMC and its members for the FYE 2020. The NC had subsequently reported the outcome of assessment to the Board for notation.

4. TERMS OF REFERENCE

The TOR of the ARMC is available for reference under the "Our Investors – Corporate Governance" section of the Company's website at www.sedaniainnovator.com.

5. SUMMARY OF WORK OF THE ARMC

During the FYE 2020, the summary of works carried out by the ARMC in discharging its responsibilities as set out in its TOR were as follows:-

(a) Financial reporting review

- (i) Reviewed the unaudited quarterly financial results and the annual audited financial statements, before recommending the results to the Board for deliberation and approval for announcement to Bursa Securities, focusing particularly on:
 - (a) The overall performance of the Group;
 - (b) The prospects of the Group;
 - (c) The changes in and implementation of major accounting policies and practices; and
 - (d) Compliance with Malaysian Financial Reporting Standards ("MFRS"), the ACE LR and other legal requirements.

- (ii) Reviewed the annual budget of the Group for the FYE 2020 and recommended the same to the Board for approval and adoption;
- (iii) Reviewed the financial performance and financial highlights of the Group on quarterly basis; and
- (iv) Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR of Bursa Securities on quarterly basis.

(b) External Auditors

- (i) Reviewed and approved the External Auditors' Audit Planning Memorandum for the FYE 2020 outlining the engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditor attention, engagement team as well as reporting timetable, deliverables and audit fees;
- (ii) Reviewed and approved the External Auditors' scope of the statutory audit of the Company and the Group's financial statements for the FYE 2020;
- (iii) Evaluated and assessed the performance and effectiveness of the External Auditors and made recommendations to the Board on the re-appointment and remuneration of the External Auditors;
- (iv) Reviewed the draft audit report and annual audited financial statements of the Company and issues arising from the financial statements, together with the External Auditors' management letter and management's responses;
- (v) Updated by the External Auditors on changes to relevant accounting standards, regulatory and statutory requirements;
- (vi) Met with the External Auditors without the presence of the Executive Directors and Management to discuss any issues that may have arose from the external audit and obtain feedbacks from the External Auditors;
- (vii) Reviewed the ARMC Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval and inclusion in the Company's Annual Report; and
- (viii) Reported to the Board on its activities, any significant issues and results.

(c) Internal Audit

- (i) Reviewed and approved the Internal Audit Plan for the FYE 2020 outlining 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);

- (iii) Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports; and
- (iv) Reviewed and assessed the objectivity, performance and independence of the outsourced Internal Auditors.

(d) Risk Management Oversight

- (i) Examined the risk element of the various proposed investments and/or joint ventures to be undertaken by the Management and sought clarification and assurance from the Management on risk mitigation measures to the identified risks.

(e) Review of Related Party Transactions

- (i) Reviewed and monitored any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises the question of management integrity.

The Board is satisfied that the ARMC has carried out their responsibilities and duties in accordance with the ARMC's TOR.

6. INTERNAL AUDIT FUNCTION

(a) Internal Auditors

The Group appointed Talent League Sdn. Bhd. ("**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), CMIIA. 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 the Group's Governance, Financial and Operational aspect divisions.

(b) Summary of Works of the Internal Audit Function for the FYE 2020

A summary of work of the internal audit function ("**IA Function**") for the FYE 2020 are as follows:-

1. Formulated the internal audit plan and presented the plan to the ARMC for review and approval;
2. Performed internal audit work in the following areas in accordance with the approved internal audit plan:-
 - Q1 2020: Human Resources Management;
 - Q2 2020: Business Continuity Plan and Financial Reporting and Treasury;
 - Q3 2020: Business Development and Credit Risk Management; and
 - Q4 2020: Management Information System and System Development.

3. Based on the audit reviews carried out, the Internal Auditors reported the results of the audit reviews to the ARMC. The reports highlighted internal control weaknesses or deficiencies identified and corresponding recommendations for improvements; and
4. Followed up on the status of implementation of Management action plans carried out and reported the same to the ARMC.

Key Observations on the effectiveness of Internal Audit Function

At the 8/2020 ARMC Meeting held on 16 November 2020, the Company Secretary briefed the ARMC on a letter in relation to the "Key Observations on the Effectiveness of Internal Audit Function" co-published by Bursa Securities and the Institute of Internal Auditors Malaysia ("IIAM"), which was issued by the Bursa Securities on 21 October 2020 ("**Bursa's IA Letter**").

The ARMC noted that Bursa Securities and IIAM had in 2019, conducted a review on IA Function over forty (40) selected Public Listed Companies.

The study of the thematic review focused on seven (7) criterias of the IA Function, the details are as follows:-

1. Adoption of a recognised Internal Audit Framework
2. Independence and objective
3. Planning the audit
4. Effectiveness of IA Function
5. Resource Management
6. Communicating audit results
7. Monitoring progress

The ARMC had requested the Company Secretary to carry out an independent assessment on the IA Function of the Company for the FYE 2020. It was noted that the IA Function of the Company has duly met the abovementioned seven (7) criterias as stated in the Bursa's IA Letter. The ARMC noted that for FYE 2020, the Internal Audit scope addressed governance, risk management and internal control processes, including related party transactions.

(c) Total costs incurred for the FYE 2020

The total cost incurred for the internal audit function of the Group for the FYE 2020 was RM55,000 (FYE 2019: RM69,000).

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 and Internal Control on pages 101 to 108 of this Annual Report.

The ARMC Report was presented and approved at the meeting of the Board of Directors held on 3 May 2021.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors ("**Board**") of Sedania Innovator Berhad ("**Company**") and its subsidiaries ("**Group**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") which outlines the nature and scope of risk management and internal control system within Sedania Innovator Berhad and its subsidiaries ("**the Group**") for the financial year 31 December 2020 pursuant to Rule 15.26(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, Malaysian Code on Corporate Governance ("**MCCG**") issued in 2017 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**Guidelines**") issued on 31 December 2012.

2. RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is committed in implementing its overall responsibility for maintaining a robust risk management framework and internal controls framework, and periodically reviewing its adequacy and integrity of those processes to safeguard shareholders' investment and the Group's assets. It also provides risk oversight, sets the tone at the top, develops risk culture and reviews the business objectives to be in line with Group's risk profile.

The Board recognises that due to inherent limitations, the Group's system of internal control is designed to manage the Group's risks within the acceptable risk tolerance, rather than eliminate the risk of failure to achieve the Group's corporate objectives in accordance to the Group's strategy. However, the Board is aware that the risk management and internal control system 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. The Board has, through the Audit and Risk Management Committee, carried out the process of identifying, evaluating, monitoring and managing the key operational and financial risks affecting the achievement of its corporate objectives throughout the period.

3. RISK MANAGEMENT

The Board acknowledges that effective risk management is an integral and indispensable part of the Group's corporate management and business operation. The Group strives to manage risk effectively with a view to protect assets and stakeholders, ensuring achievement of the business objectives and enhancing shareholder value.

The 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 and Risk Management Committee, approves the overall risk management framework, 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.

Weekly meetings attended by Executive Directors, 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. INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROL

The Group's internal audit function is outsourced to an independent professional consulting firm, Talent League Sdn. Bhd. 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 Internal Audit ("IA") Consultant aims to advise management on areas for improvement, highlight on significant findings in respect of any non-compliance and subsequently perform follow-up reviews to determine the extent to which the recommendations have been implemented.

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

The IA Consultant adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The performance of the internal audit function is carried out as per the annual audit plan approved by the Audit and Risk Management Committee. The internal control findings, weaknesses and recommendations as well as the management responses and action plan were deliberated during the quarterly reviews with the Audit and Risk Management Committee. The key management team is responsible to address and resolve areas with control weaknesses within the required time frame, and that the control procedures are in place and being followed.

During the financial year under review, four cycles of risk-based internal audit assignments were carried out for the Group and the Company as follows:

- Q1 2020 : Human Resource Management
- Q2 2020 : Business Continuity Plan; and Financial Reporting and Treasury
- Q3 2020 : Business Development; and Credit Risk Management
- Q4 2020 : Management Information System; and System Development

5. OTHER KEY INTERNAL CONTROLS

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

- **Organisational Structure**

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

- **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, Group Chief Executive Officer and respective Head of Department are held on a weekly basis to identify, discuss and report on operational performance, business strategy, financial and key management issues for effective monitoring and decision making. In addition to the regular meetings, other ad hoc meetings are convened as and when necessary to stay on course of achieving the Group's goal and objectives.

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

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

(a) Group's Authority Manual

The Group's Authority Manual assigns authority to the Board and to the appropriate level of Management staff to exercise control on the Group's commitment of both capital and operational expenditures. It provides limits to enable decisions to be taken timely and at the same time provides check and balance on the amounts and types of commitments that Management can undertake on behalf of the Group. The Authority Manual is approved by the Board and is regularly updated as and when is necessary 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) 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 the 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 matters during the tenure of their employment are properly understood. It is a written guideline which clearly defines the organisation's DNAs, values, policies, company's expectations of employees and employee's expectations toward the Company.

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

(g) Anti-Bribery and Corruption Policy

As part of the Group's compliance with Section 17A of the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009, the MACC (Amendment) Act 2018 and any amendments or re-enactments that may be made by the relevant authority from time to time, the Group has put in place an Anti-Bribery and Corruption Policy ("**AB & C Policy**") comprising policies and procedures, and a compliance, monitoring and reporting framework for the Group.

This policy aims to ensure that all employees and associated persons of the Group are aware of their obligation to disclose any corruptions, bribes, conflict of interest or similar unethical acts that they may have, and to comply with the Policy to follow the highest standards of ethical conduct of business.

In addition, internal control procedures have been set out in a series of other standard operating practice manuals and business process manuals to serve as guidance for proper measures to be undertaken and are subject to regular review, enhancement and improvement to ensure that they stay relevant and to align with the best practices.

- **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 monthly 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 which includes to review any key financial and operational issues.

The Audit and Risk Management Committee reviews the quarterly financial statements with the Chief Financial Officer and Group Chief Executive Officer before the same be recommended to the Board for approval and to release the financial results to Bursa Malaysia. The audited accounts are reviewed with the external auditors before recommending the same to the Board for tabling them to the shareholders at the annual general meeting.

- **Investment Appraisal**

Major investment proposals on mergers and acquisitions as well as long-term business investments are thoroughly reviewed and appraised by the Audit and Risk Management Committee, before recommending them to the Board.

- **Insurance and Physical Safeguards**

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

- **Human Resource Management System**

A structured Performance Management System has been developed as a catalyst to instil a better performance working culture within the Group and to align the business operations of the Group with corporate objectives which as well to protect employees' and shareholders interest.

Besides, the Performance Management System would be able to assist on assessing and rewarding the employees, which the formal appraisals will be conducted on an annual basis to maintain high competency and capability levels for each employee.

In addition, compensation is a critical area of human resource management, and one that can greatly affect employee behaviour. As such, 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 provides a comprehensive employee database and an efficient support system for managing human resource functions. In addition, all new hires are required to attend a New Hire Orientation / Induction program when they join the Group.

6. WEAKNESS IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

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

7. ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Executive Directors, Group Chief Executive Officer and Chief Financial Officer ("**Key Management Team**") have provided their reasonable assurance to the Board, to their best knowledge and believe, that the Group's risk management and internal control system were operating adequately and effectively in all material aspects. The Key Management Team also provided their assurance that there were no material losses incurred as a result of any weaknesses in internal controls that would require disclosure in this Annual Report.

8. 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 and Internal Control. As set out in their terms of engagement, the said review procedures were performed in accordance with the Audit and Assurance Practise Guide 3: Guidance for Auditors On Engagements To Report On The Statement On Risk Management and Internal Control Included in the Annual Report ("**AAPG 3**") issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. AAPG 3 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 and Internal Control: Guidelines for Directors of Listed Issuer, nor is factually inaccurate.

9. CONCLUSION

The Board is satisfied that the Group has put in place an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced or potentially to be encountered by the Group in achieving its business and strategic objectives amidst the soft business environment and increasing regulatory scrutiny, in particular during the COVID 19 pandemic.

The Group's risk management processes and system of internal control has been in place for the entire financial year under review up to the date of approval of this Statement for inclusion in this Annual Report.

The Board will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement was approved by the Board of Directors on 3 May 2021.



ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

During the financial year, the Company raised a net sum of RM1.914 million through a private placement of 14,500,000 new ordinary shares at an issue price of RM0.132 per share and as at 30 April 2021, the details of the proceeds raised from the private placement were utilised as follows: -

Purpose	Proposed utilisation RM'000	Amount Utilised as at 30 April 2021 RM'000	Intended Timeframe for Utilisation	Deviation RM'000	%	Explanations (if the deviation is 5% or more)
Green Technology Solutions ("GreenTech") segment	1,247	900	Within 12 months	348	28%	(1)
General working capital	563	563	Within 12 months	0	-	(a) & (b)
Private Placement expenses	104	51	Within 1 month	53	51%	(b)
Total gross proceeds	1,914	1,514		401	21%	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcements made by the Company dated 18 September 2020 and 2 October 2020.

Explanation:

1. The Group's GreenTech energy saving devices installation works are still in progress.

Notes:

- (a) The general working capital allocated from the Private Placement has been fully utilised as at 31 December 2020.
- (b) The actual expenses incurred for this round of Private Placement was lower than the estimated expense. The balance shall be utilised in the next round of Private Placement under this proposed corporate exercise.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("ESOS" or "Scheme") of the Company was implemented on 16 November 2015 and shall be in force for a duration of ten (10) years.

The total number of options granted, exercised and outstanding under the ESOS during the financial year ended 31 December 2020 ("FYE 2020") are set out in the table below: -

Description	Number of Options as at 31 December 2020	
	All Eligible Employees	Executive Directors
At the beginning of the financial year	5,280,000	-
(a) Total number of options granted	48,000,000	6,000,000
(b) Total number of options exercised	(33,804,600)	(5,500,000)
(c) Total number of options expired/lapsed	(17,451,000)	(500,000)
(d) Total options outstanding	2,024,400	-

Percentage of options applicable to Directors and Senior Management under the ESOS: -

Directors and Senior Management	During the FYE 2020	Since commencement up to FYE 2020
(a) Aggregate maximum allocation	50.00%	50.00%
(b) Actual granted	14.49%	16.30%

During FYE 2020, the ESOS Options offered and exercised by the non-executive directors pursuant to the ESOS were as follows:

Name of Directors	Amount of ESOS Options granted	Amount of ESOS Options exercised
1. Tan Sri Abdul Halim Bin Ali	6,000,000	1,000,000
2. Datuk Syed Izuan Bin Syed Kamarulbahrin	6,000,000	-

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors by the Group and the Company for the FYE 2020 are as follows:-

Item	Group (RM)	Company (RM)
Audit Fees	143,900	52,500
Non-Audit Fees	5,000	5,000
Total	148,900	57,500

The Company incurred non-audit fees amounting to RM5,000/- for services rendered by external auditors to the Group during the FYE 2020 in relation to the review of the Statement on Risk Management and Internal Control.

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 FYE 2020 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 FYE 2020.



DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENT

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 2020 set out on pages 114 to 183 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 3 May 2021.

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DIRECTORS' REPORT

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 2020.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and details of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	12,002,675	1,511,876

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM44,556,912 to RM52,895,395 by way of issuance of 53,804,600 new ordinary shares, pursuant to the following:

- i. 2,804,600 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM0.128 per ordinary share for cash;
- ii. 36,500,000 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM0.144 per ordinary share for cash; and
- iii. 14,500,000 ordinary shares pursuant to a private placement exercise at an issue price of RM0.132 each, representing not more than twenty percent (20%) of the issued share capital of the Company.

ISSUE OF SHARES AND DEBENTURES (continued)

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

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company implements an ESOS, which is in force for a period of ten (10) years until 16 November 2025 ("the option period"). The main features of the ESOS are as follows:

- a. The ESOS is made available to eligible employees and full-time Executive Directors who are confirmed employees ("Eligible Persons") of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- b. The total number of shares offered under the ESOS shall not, in aggregate, exceed thirty percent (30%) of the issued and paid-up share capital of the Company at any time during the existence of the ESOS;
- c. The option price under the ESOS shall be the five (5)-day weighted average market price of the shares as quoted on the ACE Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than ten percent (10%) if deemed appropriate;
- d. The actual number of shares, which may be offered to any Eligible Persons shall be at the discretion of the ESOS Committee provided that the number of shares offered are not less than 1,000 shares and in multiples of 1,000 shares and are subject to the following:
 - i. not more than ten percent (10%) of the shares available under the ESOS shall be allocated in aggregate to Executive Directors;
 - ii. not more than forty percent (40%) of the shares available under the ESOS shall be allocated in aggregate to senior management of the Company and its subsidiaries;
 - iii. not more than fifty percent (50%) of the shares available under the ESOS shall be allocated to eligible employees of the Company and its subsidiaries; and
 - iv. not more than ten percent (10%) of the new shares available under the ESOS to be allocated to the Eligible Persons who, either singly or collectively through persons connected with the Eligible Persons, holds twenty percent (20%) or more of the issued and paid-up share capital of the Company.
- e. An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee and is subject to the allotment of shares of thirty-three percent (33%) per year over the vesting periods of three (3) years;
- f. The shares allotted pursuant to ESOS rank pari passu in all respects with the then existing issued shares of the Company; and
- g. No eligible employee shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (continued)

The number of unissued ordinary shares under options at the option price is as follows:

← Number of options over ordinary shares →						
Option Price	Balance as at 1.1.2020	Granted	Exercised	Retracted*	Balance as at 31.12.2020^	Exercisable as at 31.12.2020
RM0.08	4,780,000	-	(2,804,600)	(451,000)	1,524,400	1,524,400
RM0.09	500,000	-	-	-	500,000	333,333
RM0.02	-	54,000,000	(36,500,000)	(17,500,000)	-	-
	5,280,000	54,000,000	(39,304,600)	(17,951,000)	2,024,400	1,857,733

* Due to resignation and expiry of ESOS on 11 September 2020.

^ Exercisable by the grantee upon achieving the vesting conditions set by the ESOS Committee and are subject to the allotment of shares of thirty-three percent (33%) per year over vesting periods of three (3) years.

Since the implementation of the ESOS until the end of the financial year, a total of 59,280,000 options had been granted to the eligible employees of the Group of which a total of 6,000,000 options had been granted to the Executive Director of the Group. A total of 39,304,600 options had been exercised since the implementation of the ESOS until the end of the financial year of which 5,500,000 options had been exercised by the Executive Director of the Group.

There were 16,432,000 options granted to senior management of the Company and its subsidiaries during the financial year. Since the implementation of the ESOS until the end of the financial year, the Executive Directors and senior management of the Company and its subsidiaries had been granted fifty-three percent (53%) of the total options available under the ESOS.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Sedania Innovator Berhad

Tan Sri Abdul Halim Bin Ali
 Datuk Noor Azrin Bin Mohd Noor*
 Datuk Syed Izuan Bin Syed Kamarulbahrin
 Datuk Noor Syafiroz Bin Mohd Noor*
 Lau Kin Wai
 Norliza Binti Kamaruddin

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

Nor Khairi Bin Khalil
 Dato' Wan Mohd Fadzmi Bin Che Wan Othman Fadzilah
 Mohamad Rozaimy Bin Abd Rahman

* These Directors of the Company were also the Directors of subsidiaries of the Company.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2020 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 →				
Shares in the Company	Balance as at 1.1.2020	Bought	Sold	Balance as at 31.12.2020
<u>Direct interests:</u>				
Tan Sri Abdul Halim Bin Ali	100,000	1,000,000	-	1,100,000
Datuk Noor Azrin Bin Mohd Noor	9,286,560	-	-	9,286,560
Datuk Syed Izuan Bin Syed Kamarulbahrin	100,000	-	-	100,000
Datuk Noor Syafiroz Bin Mohd Noor	100,000	5,500,000	-	5,600,000
<u>Indirect interests</u>				
Datuk Noor Azrin Bin Mohd Noor*	114,982,892	5,500,000	(6,800,000)	113,682,892

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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	Number of options over ordinary shares				
Shares options in the Company	Balance as at 1.1.2020	Granted	Exercised	Retracted^	Balance as at 31.12.2020
<u>Direct interests:</u>					
Tan Sri Abdul Halim Bin Ali	-	6,000,000	(1,000,000)	(5,000,000)	-
Datuk Syed Izuan Bin Syed Kamarulbahrin	-	6,000,000	-	(6,000,000)	-
Datuk Noor Syafiroz Bin Mohd Noor	-	6,000,000	(5,500,000)	(500,000)	-
<u>Indirect interests</u>					
Datuk Noor Azrin Bin Mohd Noor*	-	6,000,000	(5,500,000)	(500,000)	-

* Deemed interest by virtue of Datuk Noor Azrin Bin Mohd Noor's substantial interest in Sedania Corporation Sdn. Bhd. and his sibling, Datuk Noor Syafiroz Bin Mohd Noor's direct interest in Sedania Innovator Berhad.

[^] Due to expiry of ESOS on 11 September 2020.

DIRECTORS' INTERESTS (continued)

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 those benefits included in the aggregate amount of remuneration 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 received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are 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 22 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.

During the financial year, the total amount of insurance premium paid for the Directors of the Group and of the Company are RM48,348 (2019: RM40,000).

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.
- (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, except for the impact arising from the COVID-19 pandemic as disclosed in Note 32 to the financial statements.

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

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 EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 32 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 PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2020 are disclosed in Note 21 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
3 May 2021

.....
Datuk Noor Syafiroz Bin Mohd Noor
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 127 to 183 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 2020 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

.....
Datuk Noor Syafiroz Bin Mohd Noor
Director

Kuala Lumpur
3 May 2021

STATUTORY DECLARATION

I, **Rizalzin Hashim Bin Mohammed** (CA 38674), 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 127 to 183 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)
3 May 2021)

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 (Incorporated in Malaysia)

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 2020 of the Group and of the Company, and the 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 127 to 183.

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 2020, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("**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. This matter was 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 this matter.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEDANIA INNOVATOR BERHAD (continued)**
(Incorporated in Malaysia)

Key Audit Matters (continued)

Recoverability of trade receivables

Gross trade receivables of the Group as at 31 December 2020 were RM9,844,630 as disclosed in Note 10 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Audit response

Our audit procedures, with the involvement of component auditors, included the following:

- (a) Recomputed the probability of default using historical data and forward looking information adjustment, incorporating the impact of the COVID-19 pandemic applied by the Group to test the accuracy of probability of default applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses and ascertain the reasonableness of the underlying relationship.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statement of the Company.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEDANIA INNOVATOR BERHAD (continued)**
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

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 the 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 of 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEDANIA INNOVATOR BERHAD (continued)**
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

- (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 or 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 the 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, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SEDANIA INNOVATOR BERHAD (continued)**
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

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 7 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 PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Francis Cyril A/L S.R Singam
03056/04/2023 J
Chartered Accountant

Kuala Lumpur
3 May 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

			Group		Company
	Note	2020 RM	2019 RM	2020 RM	2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	972,465	1,383,109	-	-
Right-of-use assets	6	752,391	841,938	-	-
Investments in subsidiaries	7	-	-	26,853,280	26,853,280
Investments in associates	8	-	749,164	-	920,200
Finance lease receivables	9	5,952,811	8,114,584	-	-
Trade and other receivables	10	-	-	5,630,700	2,764,087
Deferred tax assets	11	334,275	334,275	-	-
		8,011,942	11,423,070	32,483,980	30,537,567
Current assets					
Trade and other receivables	10	9,471,529	11,202,377	6,913,270	5,624,367
Finance lease receivables	9	676,540	1,661,381	-	-
Inventories	12	3,419	916	-	-
Current tax assets		227,668	320,779	-	-
Short term funds	13	1,890,895	8,922,351	53,132	4,856,034
Cash and bank balances	14	10,825,680	1,954,800	8,824,414	255,232
		23,095,731	24,062,604	15,790,816	10,735,633
TOTAL ASSETS		31,107,673	35,485,674	48,274,796	41,273,200

EQUITY AND LIABILITIES

Equity attributable to owners of the parent

Share capital	15	52,895,395	44,556,912	52,895,395	44,556,912
Reorganisation debit	16	(10,853,280)	(10,853,280)	-	-
Reserves	16	(14,305,766)	(2,198,851)	(5,119,521)	(3,503,405)
TOTAL EQUITY		27,736,349	31,504,781	47,775,874	41,053,507

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 (continued)

			Group		Company
	Note	2020 RM	2019 RM	2020 RM	2019 RM
LIABILITIES					
Non-current liabilities					
Borrowing	17	375,340	417,339	-	-
Lease liabilities	18	519,812	506,541	-	-
Deferred tax liabilities	11	5,500	1,500	-	-
		900,652	925,380	-	-
Current liabilities					
Trade and other payables	19	2,102,974	2,647,704	498,922	219,693
Borrowing	17	84,941	84,941	-	-
Lease liabilities	18	282,757	322,868	-	-
		2,470,672	3,055,513	498,922	219,693
TOTAL LIABILITIES		3,371,324	3,980,893	498,922	219,693
TOTAL EQUITY AND LIABILITIES		31,107,673	35,485,674	48,274,796	41,273,200

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 31 DECEMBER 2020

	Note	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Revenue	20	8,338,543	15,494,681	-	-
Other operating income		1,783,729	7,708,910	3,429,702	1,437,517
Advertisement and promotions		(211,763)	(386,146)	(7,104)	(3,168)
Cost of goods sold		(2,723,627)	(8,214,156)	-	-
Directors' remuneration	22	(1,768,070)	(1,867,814)	(1,467,796)	(1,550,091)
Employee benefits	25	(5,629,631)	(5,405,218)	(783,457)	(753,356)
Depreciation of property, plant and equipment	5	(461,780)	(845,805)	-	-
Depreciation of right-of-use assets	6	(322,513)	(330,105)	-	-
Impairment losses		(8,052,676)	(522,586)	(1,461,084)	(180,085)
Other operating expenses		(1,840,518)	(2,436,850)	(1,025,100)	(539,764)
Finance costs		(34,492)	(74,471)	(197,037)	(9,000)
Share of results in associates		(632,647)	(171,036)	-	-
(Loss)/Profit before tax	21	(11,555,445)	2,949,404	(1,511,876)	(1,597,947)
Tax expense	23	(447,230)	(463,132)	-	-
(Loss)/Profit for the financial year		(12,002,675)	2,486,272	(1,511,876)	(1,597,947)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive (loss)/income		(12,002,675)	2,486,272	(1,511,876)	(1,597,947)
(Loss)/Earnings per ordinary share attributable to equity holders of the Company:					
Basic (loss)/earnings per share (sen)	24	(4.54)	1.03		
Diluted (loss)/earnings per share (sen)	24	(4.54)	1.02		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Group	Share capital RM	Reorganisation debit RM	Share options reserve RM	Accumulated losses RM	Total RM
Balance as at 1 January 2019	42,005,304	(10,853,280)	83,393	(4,909,025)	26,326,392
Profit for the financial year	-	-	-	2,486,272	2,486,272
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive profit	-	-	-	2,486,272	2,486,272
Transactions with owners					
Issuance of shares	2,551,608	-	-	-	2,551,608
Share options granted under ESOS	-	-	140,509	-	140,509
Total transaction with owners	2,551,608	-	140,509	-	2,692,117
Balance as at 31 December 2019	44,556,912	(10,853,280)	223,902	(2,422,753)	31,504,781

Group	Share capital RM	Reorganisation debit RM	Share options reserve RM	Accumulated losses RM	Total RM
Balance as at 1 January 2020	44,556,912	(10,853,280)	223,902	(2,422,753)	31,504,781
Loss for the financial year	-	-	-	(12,002,675)	(12,002,675)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss	-	-	-	(12,002,675)	(12,002,675)
Transactions with owners					
Issuance of shares pursuant to:					
- ESOS	6,424,483	-	(805,844)	-	5,618,639
- Private placement	1,914,000	-	-	-	1,914,000
Share options granted under ESOS	-	-	701,604	-	701,604
Total transaction with owners	8,338,483	-	(104,240)	-	8,234,243
Balance as at 31 December 2020	52,895,395	(10,853,280)	119,662	(14,425,428)	27,736,349

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Company	Share capital RM	Share options reserve RM	Accumulated losses RM	Total RM
Balance as at 1 January 2019	42,005,304	83,393	(2,129,360)	39,959,337
Loss for the financial year	-	-	(1,597,947)	(1,597,947)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	-	-	(1,597,947)	(1,597,947)
Transaction with owners				
Issuance of shares	2,551,608	-	-	2,551,608
Share options granted under ESOS	-	140,509	-	140,509
Total transaction with owners	2,551,608	140,509	-	2,692,117
Balance as at 31 December 2019	44,556,912	223,902	(3,727,307)	41,053,507
Balance as at 1 January 2020	44,556,912	223,902	(3,727,307)	41,053,507
Loss for the financial year	-	-	(1,511,876)	(1,511,876)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	-	-	(1,511,876)	(1,511,876)
Transaction with owners				
Issuance of shares				
- ESOS	6,424,483	(805,844)	-	5,618,639
- Private placement	1,914,000	-	-	1,914,000
Share options granted under ESOS	-	701,604	-	701,604
Total transaction with owners	8,338,483	(104,240)	-	8,234,243
Balance as at 31 December 2020	52,895,395	119,662	(5,239,183)	47,775,874

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

			Group		Company
	Note	2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		(11,555,445)	2,949,404	(1,511,876)	(1,597,947)
Adjustments for:					
Depreciation of property, plant and equipment	5	461,780	845,805	-	-
Depreciation of right-to-use assets	6	322,513	330,105	-	-
Dividend income		-	-	(2,000,000)	-
Gain on reassessments and modifications of leases		(11,041)	-	-	-
Interest expense on:					
- term loan		10,734	24,217	-	-
- lease liabilities		23,758	41,254	-	-
- retention sum in respect of the guaranteed profit for the acquisition of a subsidiary		-	9,000	-	9,000
- fair value adjustment on amount owing by a subsidiary		-	-	74,034	(23,367)
Income distribution from short term funds		(178,141)	(348,331)	(106,695)	(214,125)
Interest income from finance lease		(1,387,096)	(1,158,458)	-	-
Impairment losses on:					
- advances to an associate	8(d)	143,077	-	143,077	-
- amount owing by a subsidiary	10(g)	-	-	214,324	180,085
- investment in associates	8	-	-	803,683	-
- trade receivables	10(e)	6,108,685	397,547	-	-
- finance lease receivables	9(g)	1,151,459	125,039	-	-
- other receivables	10(g)	349,455	-	-	-
- preference shares in an associate	8(d)	300,000	-	300,000	-
Reversal of impairment losses on trade receivables	10(e)	(1,370)	(1,798,060)	-	-
Property, plant and equipment written off	5	-	126	-	-
Share options granted under ESOS		701,604	140,509	144,460	24,460
Share of results in associates	8	632,647	171,036	-	-
Unrealised loss on foreign exchange		-	168	-	-
Waiver of debt		-	(2,039,180)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

			Group		Company
	Note	2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Operating loss before working capital changes		(2,927,381)	(309,819)	(1,938,993)	(1,621,894)
Inventories		(2,503)	5,200	-	-
Trade and other receivables		(4,725,921)	3,362,474	(1,000,000)	-
Finance lease receivables		3,382,251	(5,423,719)	-	-
Trade and other payables		(544,730)	783,063	279,229	(131,717)
Cash used in operations		(4,818,284)	(1,582,801)	(2,659,764)	(1,753,611)
Tax paid		(566,968)	(711,470)	-	-
Tax refunded		216,849	53,024	-	-
Net cash used in operating activities		(5,168,403)	(2,241,247)	(2,659,764)	(1,753,611)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition/Additions of interest in associates	8	(183,483)	(920,200)	(183,483)	(920,200)
Purchase of property, plant and equipment	5	(51,136)	(39,593)	-	-
Advances to a subsidiary		-	-	(2,886,730)	(2,000,000)
Advances to an associate		(143,077)	-	(143,077)	-
Repayments to ultimate holding company		-	(1,574,342)	-	(1,574,342)
Dividend received		-	-	2,000,000	-
Income distribution received from short term funds		178,141	348,331	106,695	214,125
Net cash used in investing activities		(199,555)	(2,185,804)	(1,106,595)	(4,280,417)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

			Group		Company
	Note	2020 RM	2019 RM	2020 RM	2019 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of:					
- term loan		(41,999)	(81,251)	-	-
- lease liabilities	18	(261,789)	(314,954)	-	-
Interest paid		(21,469)	(46,913)	-	-
Proceeds from issuance of shares		7,532,639	2,551,608	7,532,639	2,551,608
Net cash from financing activities		7,207,382	2,108,490	7,532,639	2,551,608
Net increase/(decrease) in cash and cash equivalents		1,839,424	(2,318,561)	3,766,280	(3,482,420)
Cash and cash equivalents at beginning of financial year		10,877,151	13,195,712	5,111,266	8,593,686
Cash and cash equivalents at end of financial year	14	12,716,575	10,877,151	8,877,546	5,111,266

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Term loan (Note 17) RM	Lease liabilities (Note 18) RM
At 1 January 2019	583,531	1,125,805
Non-cash flows		
- Accretion of interest expense	-	18,558
Cash flows		
- Repayments	(81,251)	(314,954)
At 31 December 2019	502,280	829,409
At 1 January 2020	502,280	829,409
Non-cash flows		
- Accretion of interest expense	-	13,024
- Reassessments and modifications	-	221,925
Cash flows		
- Repayments	(41,999)	(261,789)
At 31 December 2020	460,281	802,569

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

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 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan. 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 2020 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 3 May 2021.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and details of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards ("**IFRSs**") and the provisions of the Companies Act 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 30.1 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.

4. OPERATING SEGMENTS

Sedania Innovator Berhad and its subsidiaries are principally engaged in investment holding, 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) (2019: six (6)) 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) Financial technology
Provision of financial technology solutions for banking industry.
- (b) Internet of things ("IoT") solutions
Provision of solutions for inter-networking of connected devices for infrastructure management.
- (c) Green technology solutions
Provision of green technology solutions for a sustainable and environmentally friendly product and services.
- (d) Telco Technology ("TelcoTech")
Formally known as Sharing platform. Providing the technology on Airtime sharing for telecommunication providers.
- (e) Investment holding
Holding of investments in the shares of subsidiaries and associates.
- (f) Others
Others mainly comprise provision of big data analytics services and related activities.

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.

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

Segment assets exclude current tax assets and deferred tax assets.

Segment liabilities exclude current tax liabilities and deferred tax liabilities.

4. OPERATING SEGMENTS (continued)

2020	Financial technology RM	Internet of things solutions RM	Green technology solutions RM	TelcoTech RM	Investment holding RM	Others RM	Total RM
Segment profit/(loss)	728,489	(1,813,464)	(7,535,668)	185,574	(2,419,117)	346	(10,853,841)
Share options granted under ESOS							(701,604)
Loss before tax							(11,555,445)
Included in the measure of segment profit/(loss) are:							
Revenue from external customer	4,070,151	631,100	1,264,115	2,369,938	-	3,239	8,338,543
Inter-segment revenue	-	-	-	-	1,200,000	-	1,200,000
Depreciation of property, plant and equipment	14,105	138,039	167,450	142,186	-	-	461,780
Depreciation of right-of-use assets	27,208	-	-	295,305	-	-	322,513
Interest expense	676	6,651	7,208	19,957	-	-	34,492
Interest income	66,295	-	1,387,096	5,151	106,695	-	1,565,237
Share of results in associates	-	-	-	-	632,647	-	632,647
Segment assets	3,705,389	-	13,751,481	3,180,026	9,908,834	-	30,545,730
Deferred tax assets							334,275
Current tax assets							227,668
Total assets							31,107,673
Included in the measure of segment assets are:							
- additions to equipment	17,785	-	-	33,351	-	-	51,136
Segment liabilities	334,652	150,570	614,204	1,772,324	494,074	-	3,365,824
Deferred tax liabilities							5,500
Current tax liabilities							-
Total liabilities							3,371,324

4. OPERATING SEGMENTS (continued)

2019	Financial technology RM	Internet of things solutions RM	Green technology solutions RM	TelcoTech RM	Investment holding RM	Others RM	Total RM
Segment profit/(loss)	829,116	3,729,498	774,546	801,141	(1,587,805)	(1,456,583)	3,089,913
Share options granted under ESOS							(140,509)
Loss before tax							2,949,404
Included in the measure of segment profit/(loss) are:							
Revenue from external customers	3,936,077	1,150,000	8,011,126	2,397,478	-	-	15,494,681
Inter-segment revenue	-	-	-	-	1,200,000	-	1,200,000
Depreciation of property, plant and equipment	42,209	193,826	223,985	205,464	-	180,321	845,805
Depreciation of right-of-use assets	-	79,621	92,009	84,402	-	74,073	330,105
Interest expense	2,607	12,615	14,598	23,939	9,000	11,712	74,471
Interest income	115,234	-	1,158,458	18,972	214,125	-	1,506,789
Share of results in associates	-	-	-	-	171,036	-	171,036
Segment assets	5,083,427	1,150,000	17,170,620	5,475,487	5,951,086	-	34,830,620
Deferred tax assets							334,275
Current tax assets							320,779
Total assets							35,485,674
Included in the measure of segment assets are:							
- additions to equipment	14,989	-	-	24,604	-	-	39,593
Segment liabilities	523,841	583,030	324,737	2,328,091	219,694	-	3,979,393
Deferred tax liabilities							1,500
Current tax liabilities							-
Total liabilities							3,980,893

4. OPERATING SEGMENTS (continued)

(a) Geographical information

The operations of the Group are carried out primarily in Malaysia and some Asian countries (which include Thailand and Singapore). In presenting information on the basis of geographical areas, segment revenue is based on the geographical location in which the customer resides.

	2020 RM	2019 RM
Revenue from external customers		
Malaysia	8,282,443	15,494,681
Asian countries other than Malaysia	56,100	-
	8,338,543	15,494,681
Non-current assets		
Malaysia	8,011,942	11,299,699
Asian countries other than Malaysia	-	123,371
	8,011,942	11,423,070

(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:

	2020 RM	Group 2019 RM
Customer A	1,285,357	1,482,324
Customer B	1,030,547	848,640
Customer C	1,226,629	8,011,126
Customer D	874,038	985,006
Customer E	1,350,650	1,284,496
	5,767,221	12,611,592

5. PROPERTY, PLANT AND EQUIPMENT

Group Carrying amount	Balance as at 1.1.2020 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Office building	820,000	-	(20,000)	800,000
SMS/IT equipment	467,872	33,351	(372,615)	128,608
Furniture and fittings	70,868	17,785	(47,379)	41,274
Motor vehicles	3,520	-	(938)	2,582
Renovation	20,849	-	(20,848)	1
	1,383,109	51,136	(461,780)	972,465

	At 31.12.2020		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office building	1,000,000	(200,000)	800,000
SMS/IT equipment	3,973,319	(3,844,711)	128,608
Furniture and fittings	797,918	(756,644)	41,274
Motor vehicles	4,693	(2,111)	2,582
Renovation	584,780	(584,779)	1
	6,360,710	(5,388,245)	972,465

Group Carrying amount	Balance as at 1.1.2019 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2019 RM
Office building	840,000	-	-	(20,000)	820,000
SMS/IT equipment	1,093,482	19,405	(12)	(645,003)	467,872
Furniture and fittings	130,228	20,188	(114)	(79,434)	70,868
Motor vehicles	4,458	-	-	(938)	3,520
Renovation	121,279	-	-	(100,430)	20,849
	2,189,447	39,593	(126)	(845,805)	1,383,109

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	At 31.12.2019		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office building	1,000,000	(180,000)	820,000
SMS/IT equipment	3,939,968	(3,472,096)	467,872
Furniture and fittings	780,133	(709,265)	70,868
Motor vehicles	4,693	(1,173)	3,520
Renovation	584,780	(563,931)	20,849
	6,309,574	(4,926,465)	1,383,109

- (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 2020, office building of the Group with a carrying amount of RM800,000 (2019: RM820,000) has been charged to a bank for credit facilities granted to the Group as disclosed in Note 17 to the financial statements.

6. RIGHT-OF-USE ASSETS

The Group as lessee

Carrying amount	Balance as at 1.1.2020 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Office building	357,929	232,966	(175,305)	415,590
Motor vehicles	484,009	-	(147,208)	336,801
	841,938	232,966	(322,513)	752,391

Carrying amount	Balance as at 1.1.2019 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2019 RM
Office building	540,826	(182,897)	357,929
Motor vehicles	631,217	(147,208)	484,009
	1,172,043	(330,105)	841,938

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Office buildings 2 - 3 years
Motor vehicles 5 years

- (b) The Group has certain leases of office buildings with lease term of 12 months or less and office equipment which are considered as low value leases. The low value assets are office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

6. RIGHT-OF-USE ASSETS (continued)

(c) The following are the amounts recognised in profit or loss:

	2020 RM	Group 2019 RM
Depreciation charge of right-of-use assets	322,513	330,105
Interest expense on lease liabilities	23,758	41,254
Expense relating to short term leases	24,178	9,851
Expense relating to leases of low-value assets	11,640	11,640
Gain on reassessments and modifications of leases	(11,041)	-
	371,048	392,850

7. INVESTMENTS IN SUBSIDIARIES

	2020 RM	Group 2019 RM
Unquoted equity shares, at cost	26,853,280	26,853,280

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

(b) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
Sedania Technologies Sdn. Bhd. ("STSB")	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, to lend and advance money or give credit to such persons or companies and all other related activities.

7. INVESTMENTS IN SUBSIDIARIES (continued)

(b) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
Sedania As Salam Capital Sdn. Bhd. ("SASC")*	Malaysia	100%	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 PLT or BDO member firms.

(c) 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. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed their recoverable amounts.

8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unquoted shares, at cost	803,683	620,200	803,683	620,200
Unquoted preference shares, at cost	300,000	300,000	300,000	300,000
Less: Impairment loss	(300,000)	-	(300,000)	-
	-	300,000	-	300,000

8. INVESTMENTS IN ASSOCIATES (continued)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Advances to an associate	143,077	-	143,077	-
Less: Impairment loss	(143,077)	-	(143,077)	-
	-	-	-	-
Share of post-acquisition losses	(803,683)	(171,036)	-	-
	-	749,164	803,683	920,200
Less: Impairment loss	-	-	(803,683)	-
	-	749,164	-	920,200

- (a) Investments in associates are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements.
- (b) Management reviews the investments in associates for impairment when there is an indication of impairment. The recoverable amount of the investments in associates is assessed by reference to fair value less cost to sell of the underlying assets.

During the financial year, an impairment loss of RM443,077 and RM1,246,760 on investments in associates has been recognised by the Group and the Company respectively due to declining business operations.

- (c) Advances to an associate are unsecured, settlement is neither planned nor likely to occur in the foreseeable future.
- (d) Impairment for unquoted preference shares and advances to an associate are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 10(g) to the financial statements.

Movement in the impairment allowance for unquoted preference share are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
At 1 January 2020	-	-	-	-
Charge for the financial year	300,000	-	300,000	-
At 31 December 2020	300,000	-	300,000	-

8. INVESTMENTS IN ASSOCIATES (continued)

- (d) Impairment for unquoted preference shares and advances to an associate are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 10(g) to the financial statements. (continued)

Movement in the impairment allowance for advances to an associate are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 January 2020	-	-	-	-
Charge for the financial year	143,077	-	143,077	-
At 31 December 2020	143,077	-	143,077	-

- (e) The details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
* Vast Meridian Sdn. Bhd.	Malaysia	44.29%	44.29%	Engaged in business of providing telecommunication infrastructure solution, equipment and services.
* Esports Pte. Ltd.	Singapore	36.21%	42.55%	Engaged in business related to eSports, eSports gaming, development of global eSports tournament and media network, acquisition of eSports company in the region and to conduct all other directly or indirectly connected ancillary business.

* Audited by firm of auditors other than BDO PLT or BDO member firms.

The above investments are accounted for as investments in associates by virtue of the Group's ability to exercise significant influence over the financial and operating policies of the investee companies through representation in the Board of Directors of the associates.

The Group's share of results of associates are based on the most recent available unaudited financial statements made up to 31 December 2020.

8. INVESTMENTS IN ASSOCIATES (continued)

(f) Internal restructuring of Esports Pte. Ltd. ("**ESPL**")

On 29 June 2020, ESPL had undertaken an internal restructuring exercise to raise further capital. In July 2020, the Group subscribed for 575,000 new ordinary shares in ESPL amounting to SGD57,500 (equivalent to approximately RM183,483). Pursuant to that, the Group's and the Company's effective interest in the equity of ESPL decreased from 42.55% to 36.21%.

(g) Acquisition of investment in associates in the previous financial year.

(i) In April 2019, the Company had entered into a share subscription and shareholder's agreement with Vast Meridian Sdn. Bhd. ("**VMSB**") to acquire 44.29% equity interest in VMSB for a total cash consideration of RM610,000, representing 310,000 ordinary shares and 300,000 convertible preference shares ("**Proposed Acquisition**"). The Proposed Acquisition had been completed on 7 July 2019 and VMSB became an associate of the Company.

(ii) In October 2019, the Company entered into a share subscription agreement with iCandy Interactive Limited ("**iCANDY**") and Mr. Michael Broda to venture into electronic sports ("**eSports**") businesses through a newly incorporated special purpose vehicle called Esports Pte. Ltd. ("**ESPL**"). The Company acquired up to 42.55% equity interest in ESPL, representing 100,000 ordinary shares for a total cash consideration of SGD100,000 (equivalent to RM310,200). The Proposed Acquisition had been completed in November 2019 and ESPL became an associate of the Company.

(h) The summarised financial information of the associates as at the end of each reporting period is as follows:

	VMSB	ESPL	Total
2020	RM	RM	RM
Assets and liabilities			
Non-current assets	497,516	26,754	524,270
Current assets	66,551	733,005	799,556
Non-current liabilities	-	(1,467,410)	(1,467,410)
Current liabilities	(136,914)	(897,709)	(1,034,623)
Net assets/(liabilities)	427,153	(1,605,360)	(1,178,207)

8. INVESTMENTS IN ASSOCIATES (continued)

- (h) The summarised financial information of the associates as at the end of each reporting period is as follows: (continued)

2020 (continued)	VMSB RM	ESPL RM	Total RM
Results			
Revenue	-	991,407	991,407
Depreciation of property, plant and equipment	(4,606)	(3,130)	(7,736)
Interest expense	(1,009)	(34,131)	(35,140)
Loss for the financial year	(402,619)	(2,968,749)	(3,371,368)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	(402,619)	(2,968,749)	(3,371,368)
2019			
Assets and liabilities			
Non-current assets	501,824	-	501,824
Current assets	183,847	728,970	912,817
Current liabilities	(178,162)	-	(178,162)
Net assets/(liabilities)	507,509	728,970	1,236,479
Results			
Depreciation of property, plant and equipment	(3,731)	-	(3,731)
Deposit written-off	(23,606)	-	(23,606)
Loss for the financial year	(577,368)	-	(577,368)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	(577,368)	-	(577,368)

- (i) Reconciliation of net assets of associates to the carrying amounts of the investments in associates is as follows:

2020	VMSB RM	ESPL RM	Total RM
Group's share of net assets	189,186	(581,301)	(392,115)
Goodwill on acquisition	214,188	-	214,188
Unrecognised share of loss	39,703	581,301	621,004
Less: Impairment loss	(443,077)	-	(443,077)
Carrying amount of the Group's interest in associates	-	-	-

8. INVESTMENTS IN ASSOCIATES (continued)

- (i) Reconciliation of net assets of associates to the carrying amounts of the investments in associates is as follows: (continued)

	VMSB RM	ESPL RM	Total RM
2020 (continued)			
Share of results for the financial year			
Share of loss	(138,964)	(493,683)	(632,647)
Share of comprehensive income, net of tax	-	-	-
Share of total comprehensive loss	(138,964)	(493,683)	(632,647)
2019			
Group's share of net assets	224,776	310,200	534,976
Goodwill on acquisition	214,188	-	214,188
Carrying amount of the Group's interest in associates	438,964	310,200	749,164
Share of results for the financial year			
Share of loss	(171,036)	-	(171,036)
Share of comprehensive income, net of tax	-	-	-
Share of total comprehensive loss	(171,036)	-	(171,036)

9. FINANCE LEASE RECEIVABLES

	2020 RM	Group 2019 RM
Non-current		
Later than one (1) year and not later than five (5) years	4,529,997	6,798,295
Later than five (5) years	1,422,814	1,316,289
	5,952,811	8,114,584
Current		
Not later than one (1) year	676,540	1,661,381
Total finance lease receivables	6,629,351	9,775,965

9. FINANCE LEASE RECEIVABLES (continued)

The repayment terms of finance lease receivables are as follows:

	Group	
	2020	2019
	RM	RM
Gross finance lease receivables:		
Not later than one (1) year	3,760,289	3,942,029
Later than one (1) year and not later than five (5) years	5,978,114	8,852,422
Later than five (5) years	1,715,217	1,658,939
	11,453,620	14,453,390
Less: Unearned interest income	(2,720,905)	(3,725,520)
Net finance lease receivables	8,732,715	10,727,870
Less: Impairment loss	(2,103,364)	(951,905)
	6,629,351	9,775,965
Representing finance lease receivables:		
Not later than one (1) year	676,540	1,661,381
Later than one (1) year and not later than five (5) years	4,529,997	6,798,295
Later than five (5) years	1,422,814	1,316,289
	6,629,351	9,775,965

- (a) Finance lease receivables are classified as financial assets measured at amortised cost.
- (b) The estimated market interest rate used for discounting contracted cash flows to determine the fair value of finance lease receivables are approximately equal to the effective interest rate used for computing the carrying amount of finance lease receivables. In this respect, the carrying amounts of finance lease receivables of the Group as at the end of the reporting period approximate their fair value.

The credit term of finance lease receivables of the Group is 30 days (2019: 30 days) from the date of invoice.

- (c) The weighted effective interest rate for finance lease receivables is fixed at 13.48% (2019: 13.75%) per annum.
- (d) The Group determines concentration of credit risk by monitoring their finance lease receivables on an ongoing basis. At the end of the reporting period, concentration of credit risk arose from two (2) (2019: one (1)) finance lease receivable.

9. FINANCE LEASE RECEIVABLES (continued)

- (e) The fair value of finance lease receivables is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (f) Finance lease receivables are denominated in RM.
- (g) Impairment for finance lease receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 10(g) to the financial statements.

Movements in the impairment allowance for finance lease receivables are as follows:

	Group	
	2020 RM	2019 RM
At 1 January	951,905	826,866
Charge for the financial year	1,151,459	125,039
At 31 December	2,103,364	951,905

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current asset:				
Amount owing by a subsidiary	-	-	5,630,700	2,764,087
Current assets:				
Trade receivables				
Third parties	9,844,630	7,501,841	-	-
Less: Impairment losses on trade receivables	(7,849,207)	(1,741,892)	-	-
	1,995,423	5,759,949	-	-
Other receivables				
Other receivables	665,727	886,257	3,621	3,621
Amount owing by a subsidiary	-	-	7,154,761	6,651,534
Refundable deposits	164,269	55,521	1,000	1,000
	829,996	941,778	7,159,382	6,656,155
Less: Impairment losses on:				
- other receivable	(623,789)	(274,334)	-	-
- amount owing by a subsidiary	-	-	(1,272,779)	(1,058,455)
	206,207	667,444	5,886,603	5,597,700

10. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
	2,201,630	6,427,393	5,886,603	5,597,700
Prepayments	7,269,899	4,774,984	1,026,667	26,667
Total current receivables	9,471,529	11,202,377	6,913,270	5,624,367
Total current and non-current receivables	9,471,529	11,202,377	12,543,970	8,388,454

- (a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranged from 30 to 60 days (2019: 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 and interest free.
- (d) The ageing analysis of trade receivables of the Group is as follows:

Group 2020	Gross carrying amount RM	Total allowance RM	Balance as at 31.12.2020 RM
Not pass due	1,018,170	(113,743)	904,427
Past due:			
- 31 to 90 days	1,254,012	(375,307)	878,705
- 91 to 180 days	1,100,739	(894,092)	206,647
- 181 to 360 days	2,225,108	(2,223,934)	1,174
- more than 360 days	4,246,601	(4,242,131)	4,470
	8,826,460	(7,735,464)	1,090,996
	9,844,630	(7,849,207)	1,995,423

10. TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of the Group is as follows: (continued)

Group 2019	Gross carrying amount RM	Total allowance RM	Balance as at 31.12.2020 RM
Not pass due	1,038,876	(86,603)	952,273
Past due:			
- 31 to 90 days	2,028,084	(84,755)	1,943,329
- 91 to 180 days	1,863,646	(149,399)	1,714,247
- 181 to 360 days	1,392,930	(256,084)	1,136,846
- more than 360 days	1,178,305	(1,165,051)	13,254
	6,462,965	(1,655,289)	4,807,676
	7,501,841	(1,741,892)	5,759,949

(e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the following common credit risk characteristic - type of products or services purchased.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information on macroeconomic factors affecting the Group's customers and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the consumer price index, unemployment rate, labour force participation rate and KLCI index (2019: consumer price index, unemployment rate, labour force participation rate and KLCI index) as the key macroeconomic factors. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within impairment losses in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment. Estimated cash flows recoverable in worst-case scenario are based on the fair value of the collateral.

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

10. TRADE AND OTHER RECEIVABLES (continued)

(e) (continued)

Evidence that a financial asset is credit impaired includes the following observable data:

- (i) Significant financial difficulties of the debtor;
- (ii) A breach of contract such as a default in payment;
- (iii) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- (iv) It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- (v) The disappearance of an active market for a security because of financial difficulties.

It requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward looking information.

The movements of the allowance for impairment loss on trade receivables are as follows:

	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
2020			
At 1 January	581,157	1,160,735	1,741,892
Charge for the financial year	6,108,685	-	6,108,685
Reversal for the financial year	(1,370)	-	(1,370)
At the end of financial year	6,688,472	1,160,735	7,849,207
2019			
At 1 January	195,546	3,878,162	4,073,708
Charge for the financial year	397,547	-	397,547
Reversal for the financial year	(11,936)	(1,786,124)	(1,798,060)
Written off	-	(931,303)	(931,303)
At the end of financial year	581,157	1,160,735	1,741,892

Trade receivables that are individually determined to be credit impaired at the financial year end relate to trade receivables who are in significant financial difficulties and have defaulted on payments.

10. TRADE AND OTHER RECEIVABLES (continued)

- (f) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group is summarised in the table below:

	Group	
	2020	2019
	RM	RM
Maximum exposure	1,995,423	5,759,949
Collateral obtained	(613,434)	(447,039)
Net exposure to credit risk	1,381,989	5,312,910

The above collateral is the set-off right by the Group against the profit share payable by the Group to a receivable.

- (g) Impairment for other receivables, finance lease receivables, amount owing by a subsidiary, unquoted preference shares and advances to an associate are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition.

The Group defined significant increase in credit risk as non-payment for the past twelve (12) months as at the reporting period. The probability of non-payment by the other receivables, finance lease receivables, subsidiary and associates is adjusted by forward looking information as stated in Note 10(e) and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the amounts owing by other receivables, finance lease receivables, a subsidiary and associates.

The movements of the allowance for impairment loss on other receivables are as follows:

	Group	
	2020	2019
	RM	RM
At 1 January	274,334	274,334
Charge for the financial year	349,455	-
At 31 December	623,789	274,334

10. TRADE AND OTHER RECEIVABLES (continued)

(g) (continued)

The movements of the allowance for impairment loss on amount owing by a subsidiary is as follows:

	Company	
	2020	2019
	RM	RM
At 1 January	1,058,455	878,370
Charge for the financial year	214,324	180,085
At 31 December	1,272,779	1,058,455

- (h) The Group determines concentration of credit risk by monitoring their trade receivables on an ongoing basis. At the end of the reporting period, concentration of credit risk arose from three (3) trade receivables amounting to RM1,166,539 (2019: three (3) trade receivables amounting to RM4,780,079), which represents 58% (2019: 83%) 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.
- (i) Trade and other receivables are denominated in RM.
- (j) Prepayments include advance payments to suppliers for purchase of goods and services.

11. DEFERRED TAX

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

	Group	
	2020	2019
	RM	RM
Balance as at 1 January	(332,775)	(430,240)
Recognised in profit or loss (Note 23)	4,000	97,465
Balance as at 31 December	(328,775)	(332,775)
Presenting after appropriate offsetting:		
Deferred tax assets, net*	(334,275)	(334,275)
Deferred tax liabilities, net*	5,500	1,500
	(328,775)	(332,775)

* The amounts of set-off between deferred tax assets and deferred tax liabilities of the Group were RM33,295 (2019: RM33,295).

11. DEFERRED TAX (continued)

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

Group Deferred tax liabilities	Others RM	Total RM
At 1 January 2020	34,795	34,795
Recognised in profit or loss	4,000	4,000
At 31 December 2020	38,795	38,795
At 1 January 2019	35,295	35,295
Recognised in profit or loss	(500)	(500)
At 31 December 2019	34,795	34,795

Group

Group Deferred tax assets	Property, plant and equipment RM	Other deductible temporary differences RM	Total RM
At 1 January 2020	(161,788)	(205,782)	(367,570)
Recognised in profit or loss	-	-	-
At 31 December 2020	(161,788)	(205,782)	(367,570)
At 1 January 2019	(69,734)	(395,801)	(465,535)
Recognised in profit or loss	(92,054)	190,019	97,965
At 31 December 2019	(161,788)	(205,782)	(367,570)

11. DEFERRED TAX (continued)

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

	Group	
	2020	2019
	RM	RM
Other deductible temporary differences	10,301,364	2,691,766
Unabsorbed capital allowance	-	76,921
Unabsorbed business loss		
- Expires by 2026	83,553	83,553
- Expires by 2027	1,157,363	-
	11,542,280	2,852,240

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 local tax authority.

12. INVENTORIES

	Group	
	2020	2019
	RM	RM
At cost		
Airtime reloads	3,419	916

Cost of inventories is determined using a weighted average cost basis and stated at the lower of cost and net realisable value.

13. SHORT TERM FUNDS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Financial assets at fair value through profit or loss				
Short term funds	1,890,895	8,922,351	53,132	4,856,034

13. SHORT TERM FUNDS (continued)

- (a) Short term funds held by the Group are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.
- (b) Short term funds are classified as financial asset at fair value through profit or loss ("FVTPL"), and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.
- (c) The fair value is measured as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

The fair value of the short term funds are determined by reference to the published net asset value per unit at the close of the business at the end of each reporting period.

- (d) Short term funds are denominated in RM.

14. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash and bank balances	10,825,680	1,954,800	8,824,414	255,232

- (a) Bank balances are deposits held at call with licensed banks.
- (b) Cash and bank balances are denominated in RM.
- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash and bank balances	10,825,680	1,954,800	8,824,414	255,232
Short term funds (Note 13)	1,890,895	8,922,351	53,132	4,856,034
	12,716,575	10,877,151	8,877,546	5,111,266

- (d) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

15. SHARE CAPITAL

	Number of shares	Group and Company		2019
		2020		
		RM	Number of shares	RM
Issued and fully paid				
Balance as at 1 January	248,387,052	44,556,912	225,806,452	42,005,304
Issued during the financial year	53,804,600	8,338,483	22,580,600	2,551,608
Balance as at 31 December	302,191,652	52,895,395	248,387,052	44,556,912

(a) During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM44,556,912 to RM52,895,395 by way of issuance of 53,804,600 new ordinary shares, pursuant to the following:

- (i) 2,804,600 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM0.128 per ordinary share for cash;
- (ii) 36,500,000 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM0.144 per ordinary share for cash; and
- (iii) 14,500,000 ordinary shares pursuant to a private placement exercise at an issue price of RM0.132 each, representing not more than twenty percent (20%) of the issued share capital of the Company.

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

- (b) In the previous financial year, the issued and fully paid-up share capital of the Company was increased from RM42,005,304 to RM44,556,912 by way of issuance of 22,580,600 new ordinary shares at an issue price of RM0.113 each pursuant to a private placement exercise, representing not more than ten percent (10%) of the enlarged issued share capital of the Company.
- (c) 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.

16. RESERVES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Non-distributable				
Reorganisation debit	(10,853,280)	(10,853,280)	-	-
Share options reserve	119,662	223,902	119,662	223,902
Distributable				
Retained earnings	(14,425,428)	(2,422,753)	(5,239,183)	(3,727,307)
	(25,159,046)	(13,052,131)	(5,119,521)	(3,503,405)

(a) 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:

	STSB	SASC	Total
	RM	RM	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

(b) Share options reserve

Share options reserve represents the effect of equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees for the issue of share options. Share options reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

17. BORROWING

	2020	Group
	RM	2019
	RM	RM
Current liability		
Term loan (secured)	84,941	84,941
Non-current liability		
Term loan (secured)	375,340	417,339

17. BORROWING (continued)

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in RM.
- (c) 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.
- (d) Term loan is repayable in 120 equal monthly installments commencing from 1 May 2015.
- (e) The carrying amount of the term loan is reasonable approximation of fair value as it is a floating rate instrument that is re-priced to market interest rates on or near the end of each reporting period.
- (f) The weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowing of the Group that are exposed to interest rate risk is summarised in the table below:

Group 31 December 2020	Weighted average effective interest rate per annum %	Within one year RM	One to five years RM	More than five years RM	Total RM
Term loan					
Floating rate	4.25%	84,941	375,340	-	460,281
31 December 2019					
Term loan					
Floating rate	4.45%	84,941	380,132	37,207	502,280

- (g) A change of 30 basis points in interest rates, assuming all other variables remained constant, at the reporting date would result in the (loss)/profit net of tax of the Group to be higher or lower by RM1,050 (2019: RM1,145).

17. BORROWING (continued)

- (h) 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 2020				
Term loan	102,451	409,681	-	512,132
As at 31 December 2019				
Term loan	102,453	426,088	40,543	569,084

18. LEASE LIABILITIES

Group Carrying amount	Balance as at 1.1.2020 RM	Reassessments and modifications RM	Payment of lease liabilities RM	Accretion of interest expenses RM	Balance as at 31.12.2020 RM
Office buildings	369,725	221,925	(181,901)	13,024	422,773
Motor vehicle	459,684	-	(79,888)	-	379,796
	829,409	221,925	(261,789)	13,024	802,569

Group Carrying amount	Balance as at 1.1.2019 RM	Payment of lease liabilities RM	Accretion of interest expenses RM	Balance as at 31.12.2019 RM
Office buildings	540,826	(189,659)	18,558	369,725
Motor vehicle	584,979	(125,295)	-	459,684
	1,125,805	(314,954)	18,558	829,409

Represented by:

	2020 RM	2019 RM
Current liabilities	282,757	322,868
Non-current liabilities	519,812	506,541
	802,569	829,409

18. LEASE LIABILITIES (continued)

Represented by: (continued)

	2020 RM	2019 RM
Lease liabilities owing to financial institutions	379,796	459,684
Lease liabilities owing to non-financial institutions	422,773	369,725
	802,569	829,409

- (a) At the end of the financial year, the Group had total cash outflow for leases of RM261,789.
- (b) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group 31 December 2020	Weighted average incremental borrowing rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Lease liabilities						
Fixed rated	3.04%	282,757	270,140	249,672	-	802,569
31 December 2019						
Lease liabilities						
Fixed rated	4.24%	322,868	258,184	150,405	97,952	829,409

18. LEASE LIABILITIES (continued)

- (c) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group 31 December 2020	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Lease liabilities	297,840	524,843	-	822,683
31 December 2019				
Lease liabilities	353,665	532,053	-	885,718

19. TRADE AND OTHER PAYABLES

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Trade payables				
Third parties	891,172	1,223,455	-	-
Other payables				
Other payables	671,602	472,566	141,888	67,660
Accruals	540,200	951,683	357,034	152,033
	1,211,802	1,424,249	498,922	219,693
	2,102,974	2,647,704	498,922	219,693

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group are 30 days (2019: 30 days) from the date of invoice.
- (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 repayable on demand or within one (1) year.
- (d) Trade and other payables are denominated in RM.

20. REVENUE

	Group 2020 RM	2019 RM
Revenue from contracts with customers:		
Sale of goods	1,644,735	8,835,485
Services rendered	6,440,089	6,333,555
Maintenance revenue	253,719	325,641
	8,338,543	15,494,681

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated in the table below by primary geographical market and timing of revenue recognition.

31 December 2020	Malaysia RM	Thailand RM	Singapore RM	Total RM
Major product and service line				
Sale of goods	1,588,635	53,682	2,418	1,644,735
Services rendered	6,440,089	-	-	6,440,089
Maintenance revenue	253,719	-	-	253,719
	8,282,443	53,682	2,418	8,338,543
Timing of revenue recognition				
Transferred at a point in time	8,028,724	53,682	2,418	8,084,824
Transferred over time	253,719	-	-	253,719
	8,282,443	53,682	2,418	8,338,543

20. REVENUE (continued)

Revenue from contracts with customers is disaggregated in the table below by primary geographical market and timing of revenue recognition. (continued)

31 December 2019	Malaysia RM	Thailand RM	Singapore RM	Total RM
Major product and service line				
Sale of goods	8,835,485	-	-	8,835,485
Services rendered	6,333,555	-	-	6,333,555
Maintenance revenue	325,641	-	-	325,641
	15,494,681	-	-	15,494,681
Timing of revenue recognition				
Transferred at a point in time	15,169,040	-	-	15,169,040
Transferred over time	325,641	-	-	325,641
	15,494,681	-	-	15,494,681

(a) Sale of goods and services rendered

Revenue from sale of goods and services rendered are recognised at a point in time when the goods has been transferred or the services have been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of goods and services rendered.

There is no significant financing component in the revenue arising from sale of goods and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

(b) Maintenance revenue

Revenue is recognised as and when customer simultaneously receive and consume the benefits provided by this service and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the service that would be performed to the customer.

21. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
After charging:				
Auditors' remuneration:				
- BDO PLT				
- Statutory audit	123,900	115,000	52,500	49,000
- Non-statutory audit	5,000	8,000	5,000	5,000
- Other firm of auditors				
- Statutory audit	18,000	18,000	-	-
Interest expense on:				
- term loan	10,734	24,217	-	-
- lease liabilities	23,758	41,254	-	-
- retention sum in respect of the guaranteed profit for the acquisition of a subsidiary	-	9,000	-	9,000
- fair value adjustment on amount owing by a subsidiary	-	-	74,034	-
Unrealised loss on foreign exchange	-	168	-	-
And crediting:				
Dividend income	-	-	2,000,000	-
Income distribution from short term funds	(178,141)	(348,331)	(106,695)	(214,125)
Interest income from:				
- finance lease	(1,387,096)	(1,158,458)	-	-
- fair value adjustment on amount owing by a subsidiary	-	-	-	(23,367)

- (a) Income distribution from short term funds is recognised when the right to receive payment is established.
- (b) Interest income from finance lease is recognised upon commencement of the finance lease agreement using a constant periodic rate of return over the period of the agreement.

22. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Directors of the Company:				
Executive:				
Fees	74,310	48,000	-	-
Other emoluments	1,494,093	1,596,647	1,268,129	1,326,924
Non-Executive:				
Fees	120,000	155,000	120,000	155,000
Other emoluments	79,667	68,167	79,667	68,167
Total	1,768,070	1,867,814	1,467,796	1,550,091

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

	2020		2019	
	Number of Directors Executive	Non-Executive	Number of Directors Executive	Non-Executive
Below RM50,000	-	3	-	4
RM50,001 - RM100,000	-	1	-	1
RM100,001 - RM300,000	-	-	-	-
RM300,001 - RM600,000	1	-	1	-
RM600,001 - RM900,000	1	-	1	-
	2	4	2	5

23. TAX EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current tax expense based on (loss)/profit for the financial year				
- current year	160,000	367,529	-	-
- under/(over) provision in prior years	283,230	(1,862)	-	-
	443,230	365,667	-	-
Deferred tax (Note 11)				
- relating to origination and reversal of temporary differences	4,000	97,465	-	-
	447,230	463,132	-	-

23. TAX EXPENSE (continued)

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated taxable profits for the fiscal year.
- (b) The numerical reconciliations between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	(2,773,307)	707,857	(362,850)	(383,507)
Tax effects in respect of:				
Non-allowable expenses	855,990	672,834	1,185,978	758,032
Non-taxable income	(4,293)	(924,305)	(823,128)	(374,525)
Deferred tax assets not recognised	2,085,610	8,608	-	-
	164,000	464,994	-	-
Under/(Over) provision of tax expense in prior years				
- income tax	283,230	(1,862)	-	-
	447,230	463,132	-	-

24. (LOSS)/EARNINGS PER SHARE

- (a) Basic

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

	Group	
	2020 RM	2019 RM
(Loss)/Profit attributable to equity holders of the parent (RM)	(12,002,675)	2,486,272
Weighted average number of ordinary shares (unit)	264,465,803	241,705,669
Basic (loss)/earnings per ordinary share (sen)	(4.54)	1.03

24. (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted

Diluted (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	Group	
	2020	2019
	RM	RM
(Loss)/Profit attributable to equity holders of the parent (RM)	(12,002,675)	2,486,272
Weighted average number of ordinary shares (unit)	264,465,803	241,705,669
Effects of dilution due to ESOS (unit)	*	1,512,252
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share (unit)	264,465,803	243,217,921
Diluted (loss)/earnings per ordinary share (sen)	(4.54)	1.02

* The assumed conversion of the ESOS is not included in the computation of diluted earnings per share as the assumed conversion is considered anti-dilutive.

The diluted loss per share for the current financial year is anti-dilutive. Accordingly, the diluted loss per share for the current financial year is presented as equal to basic loss per share.

25. EMPLOYEE BENEFITS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Salaries, wages, bonuses and allowances	4,056,521	4,454,749	601,765	689,287
Defined contribution plan	360,727	396,270	12,138	13,811
Other benefits	510,779	413,690	25,094	25,798
Share option granted under ESOS	701,604	140,509	144,460	24,460
	5,629,631	5,405,218	783,457	753,356

26. EMPLOYEES' SHARE OPTION SCHEME

The Company implements an ESOS, which is in force for a period of ten (10) years until 16 November 2025 ("**the option period**"). The main features of the ESOS are as follows:

- (a) The ESOS is made available to eligible employees and full-time Executive Directors who are confirmed employees ("**Eligible Persons**") of the Company and its subsidiaries as defined in the Companies Act 2016 in Malaysia, as amended from time to time, and any re-enactment thereof;
- (b) The total number of shares offered under the ESOS shall not, in aggregate, exceed 30% of the issued and paid-up share capital of the Company at any time during the existence of the ESOS;
- (c) The option price under the ESOS shall be the five (5)-day weighted average market price of the shares as quoted on the ACE Market of Bursa Malaysia Securities Berhad at the time the option is granted with a discount of not more than 10% if deemed appropriate;
- (d) The actual number of shares, which may be offered to any Eligible Persons shall be at the discretion of the ESOS Committee provided that the number of shares offered are not less than 1,000 shares and in multiples of 1,000 shares and are subject to the following:
 - (i) not more than 10% of the shares available under the ESOS shall be allocated in aggregate to Executive Directors; and
 - (ii) not more than 40% of the shares available under the ESOS shall be allocated in aggregate to senior management of the Company and its subsidiaries;
 - (iii) not more than 50% of the shares available under the ESOS shall be allocated to eligible employees of the Company and its subsidiaries; and
 - (iv) not more than 10% of the new shares available under the ESOS to be allocated to the Eligible Persons who, either singly or collectively through persons connected with the Eligible Persons, holds 20% or more of the issued and paid-up share capital of the Company.
- (e) An option granted under the ESOS may be exercised by the grantee upon achieving the vesting conditions set by the ESOS Committee and is subject to the allotment of shares of 33% per year over the vesting periods of three (3) years;
- (f) The shares allotted pursuant to ESOS rank pari passu in all respects with the then existing issued shares of the Company; and
- (g) No eligible employee shall participate at any time in any other employees' share option scheme within the Company and its subsidiaries unless otherwise approved by the ESOS Committee.

26. EMPLOYEES' SHARE OPTION SCHEME (continued)

Details of the options over ordinary shares of the Company are as follows:

Option price:	Balance as at 1.1.2020	Granted	Exercised	Retracted*	Balance as at 31.12.2020^	Exercisable as at 31.12.2020
RM0.08	4,780,000	-	(2,804,600)	(451,000)	1,524,400	1,524,400
RM0.09	500,000	-	-	-	500,000	333,333
RM0.02	-	54,000,000	(36,500,000)	(17,500,000)	-	-
	5,280,000	54,000,000	(39,304,600)	(17,951,000)	2,024,400	1,857,733

* Due to resignation and expiry of ESOS on 11 September 2020.

^ Exercisable by the grantee upon achieving the vesting conditions set by the ESOS Committee and are subject to the allotment of shares of 33% per year over vesting periods of 3 years.

Fair value of share options was estimated by the Group using the Black-Scholes-Merton option pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

	2020	2019
Expected life (years)	1 - 2	2 - 3
Average share price at grant date (RM)	0.16	0.14
Exercise price (RM)	0.12 - 0.14	0.12 - 0.13
Fair value of share options (RM)	0.08 - 0.16	0.08 - 0.09
Risk free rate of interest (%)	3.48 - 3.77	3.69 - 3.77
Expected volatility (%)	79.7 - 99.7	79.7 - 99.7

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 7 to the financial statements;
- (ii) direct and indirect subsidiaries of the ultimate holding company, Sedania Corporation Sdn. Bhd.; and

27. RELATED PARTY DISCLOSURES (continued)

(a) Identities of related parties (continued)

Related parties of the Company include: (continued)

(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 the Executive 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	
	2020 RM	2019 RM	2020 RM	2019 RM
Transactions with a subsidiary				
Advances given to a subsidiary	-	-	2,310,000	2,000,000
Management fees	-	-	1,200,000	1,200,000

(c) Compensation of key management personnel

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Short term employees benefits				
- Executive Directors	1,391,944	1,427,303	1,113,093	1,186,380
- Key management personnel	652,297	832,873	519,120	578,400
	2,044,241	2,260,176	1,632,213	1,764,780
Contribution to defined contribution plan				
- Executive Directors	157,467	169,344	133,355	140,544
- Key management personnel	15,946	30,528	-	-
	173,413	199,872	133,355	140,544
	2,217,654	2,460,048	1,765,568	1,905,324

27. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

Directors of the Group have been granted the following number of options under the ESOS:

	2020 Number	Group 2019 Number
Balance as at 1 January	-	-
Granted	18,000,000	-
Exercised	(6,500,000)	-
Retracted*	(11,500,000)	-
Balance as at 31 December	-	-

* Due to expiry of ESOS on 11 September 2020.

The terms and conditions of the ESOS are detailed in Note 26 to the financial statements.

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 2019 and 31 December 2020.

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

	2020 RM	Group 2019 RM	2020 RM	Company 2019 RM
Borrowings	460,281	502,280	-	-
Lease liabilities	802,569	829,409	-	-
	1,262,850	1,331,689	-	-

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Less:				
Cash and bank balances	(10,825,680)	(1,954,800)	(8,824,414)	(255,232)
Short term funds	(1,890,895)	(8,922,351)	(53,132)	(4,856,034)
Net cash	(12,716,575)	(9,545,462)	(8,877,546)	(5,111,266)
Total equity	27,736,349	31,504,781	47,775,874	41,053,507
Net debt-to-equity ratio	*	*	*	*

* There is no debt-to-equity ratio available since the Group and the Company are 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 risk and interest rate risk. Information on the management of the related exposures are detailed below.

(i) Credit risk

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

The primary exposure of the Group to credit risk arises through its trade receivables. The Group trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 to 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.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Exposure to credit risk (continued)

Information regarding credit enhancements for trade and other receivables is disclosed in Note 10 to the financial statements.

(ii) Liquidity and cash flow risk

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 17, 18 and 19 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 17 to the financial statements.

29. MATERIAL LITIGATIONS

(a) Kuala Lumpur High Court Summon No. WA-22NCvC-879-11/2019 between Sedania Technologies Sdn. Bhd. ("the Plaintiff") vs (1) Professional Science Technologies Sdn. Bhd. ("1st Defendant") and (2) Encik Muzir Bin Md Zanib ("2nd Defendant") (collectively referred to as "the Defendants")

The Company's wholly-owned subsidiary, Sedania Technologies Sdn. Bhd. ("STSB" or the "Plaintiff"), via its solicitors, Messrs. J Nee, filed a Writ of Summons and Statement of Claim, both dated 27 November 2019, against Professional Science Technologies Sdn. Bhd. ("PSTECH") as the First Defendant and En. Muzir bin. Md Zanib ("En. Muzir") as the Second Defendant.

29. MATERIAL LITIGATIONS (continued)

- (a) **Kuala Lumpur High Court Summon No. WA-22NCvC-879-11/2019 between Sedania Technologies Sdn. Bhd. ("the Plaintiff") vs (1) Professional Science Technologies Sdn. Bhd. ("1st Defendant") and (2) Encik Muzir Bin Md Zanib ("2nd Defendant") (collectively referred to as "the Defendants") (continued)**

En. Muzir, in his capacity as a director for PSTECH, had approached STSB to venture into the Automatic Fare Collection System ("Project"). The main contractors of the Project appointed Intelligent Essence Sdn. Bhd. ("IESB") as the sub-contractor. IESB subsequently appointed STSB as a sub-contractor via a Letter of Award dated 4 July 2017 and Contract Works Agreement dated 6 September 2017 ("IESB Contract").

PSTECH was then appointed by STSB as a sub-contractor via a Contract Works Agreement dated 6 September 2017 ("PS Tech Contract") and is obligated to carry out the scope of works as per the IESB Contract.

STSB had duly completed the scope of works under the IESB Contract, however, IESB had failed to make payment for the sum of RM1,887,426 ("the Debt") despite STSB's various demands and requests for the same.

En. Muzir, then undertook and acknowledged to pay the Debt to STSB via a Letter of Undertaking ("the Undertaking") on 29 March 2019 and via WhatsApp messages which the Defendants had failed to adhere to the Undertaking. Further to the above, STSB proceeded with the legal action to claim from the Defendants, jointly and severally, the sum of RM 1,887,426 being the Debt due and owed by the Defendants.

The Defendants through their solicitors, Messrs. Rafida Razak & Co, filed their Statement of Defence on 24 January 2020. The Plaintiff through their new solicitor, Messrs. Ram Reza & Muhammad, filed an Amended Statement of Claim on 17 February 2020 and has received the Amended Statement of Defence from the Defendants on 5 March 2020. The Plaintiff has filed Reply to the Defence on 20 March 2020. Plaintiff had on 20 March 2020 filed Notice of Application to move the court to hear the matter under Order 14 Rules Of Court 2012 ("Summary Judgment Application").

The KLHC on 25 August 2020 decided in the Plaintiff's favour ("Order 14 Judgment") held as follows:

- (i) The sum of RM1,887,426 being the debt due and owed by the Defendants to the Plaintiff;
- (ii) Interest from the date of the breach until the date of judgment in accordance with Section 11 of the Civil Law Act 1956;
- (iii) Interest on RM1,887,426 at 5% per annum from the date of judgment until full and final settlement of the debt; and
- (iv) Costs of RM3,000 subjected to the allocator fee to be paid by the Defendants to the Plaintiff.

29. MATERIAL LITIGATIONS (continued)

- (a) **Kuala Lumpur High Court Summon No. WA-22NCvC-879-11/2019 between Sedania Technologies Sdn. Bhd. ("the Plaintiff") vs (1) Professional Science Technologies Sdn. Bhd. ("1st Defendant") and (2) Encik Muzir Bin Md Zanib ("2nd Defendant") (collectively referred to as "the Defendants") (continued)**

The Defendants, aggrieved and dissatisfied with the Decision by the KLHC had filed a Notice of Appeal to the Court of Appeal ("COA") which the COA on Case Management via e-review on 19 November 2020, instructed the Parties to file Written Submission with Bundle of Authorities, Executive Summary and Common Core Bundle on/before 14 June 2021.

COA further fixed 14 June 2021 as pre-Hearing Case Management and Hearing on 29 June 2021.

However, the Defendants had on 5 February 2021 served to the Plaintiff the following cause papers:

- (i) A sealed copy of Notice of Motion together with Affidavit in Support to amend their Memorandum of Appeal, which the COA fixed 15 February 2021 for Case Management. The COA during the Case Management further fixed 20 April 2021 for Hearing in COA.

The COA during Hearing on 20 April 2021 had ruled against the Plaintiff's objection for the Defendant's application to amend their Memorandum of Appeal. The COA is satisfied with the Defendant's submission that the amendment would not be prejudicial to the Plaintiff and ordered the cost to be cost in cause; and

- (ii) A sealed copy of Notice of Application together with Affidavit in Support to stay the execution for the Order 14 Judgment obtained against the Defendants, which the KLHC has confirmed that both parties have filed their affidavits as instructed by the KLHC on 16 February 2021.

The KLHC during the Case Management on 11 March 2021, instructed the Parties to comply with the following dates:

- (a) Parties to file Written Submissions on/before 1 April 2021;
- (b) Parties to file Submissions in Reply on/before 22 April 2021; and
- (c) Parties to attend Hearing on 16 June 2021.

30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

30.1 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
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020

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

30.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

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
<i>Amendments to MFRS 16 Covid-19-Related Rent Concessions</i>	1 June 2020
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

30. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)

30.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021 (continued)

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

31. FINANCIAL REPORTING UPDATES

IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ("IFRIC") issued a final agenda decision on 26 November 2019 regarding "Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)".

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 December 2020. There is no material impact on the financial statements of the Company as at the end of reporting period.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO until 28 April 2021.

Since then, the global economy has experienced unprecedented disruption due to the COVID-19 pandemic. As part of Group's response to the COVID-19 pandemic, the Group has followed its business continuity processes, led by regular meetings of the executive management team, which coordinates centrally to ensure consistent health and safety approach across the Group. The executive management has also been in regular contact with the Board of Directors.

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(a) (continued)

The Group's revenue had declined by 46% from RM15,494,681 in 2019 to RM8,338,543 in 2020. The decline in revenue was mainly contributed by lower revenue from Green Technology solutions ("GreenTech") and Internet of things solutions ("IoT") segments.

Operationally, the business of Financial technology and Sharing platform segments were largely unaffected from the COVID-19 related containment measures and continues to be fully operational due to their digital-based infrastructure.

On the other hand, the GreenTech segment was impacted from the Government enforced movement restrictions and stay-at-home orders as a result of COVID-19 pandemic, with the installations and service works planned for the year had been delayed or deferred. In addition, there were no new GreenTech project opportunities in 2020 as compared to 2019.

Financially, the COVID-19 pandemic impacted the Group's judgment and assumptions used in the preparation of the financial statements for the financial year ended 2020, in particular in respect of expected credit losses ("ECL") assessment on the financial assets and impairment assessments of other assets. Expected credit losses of RM7,260,144 was recognised during the financial year associated with changes in credit risk relating to trade and lease receivables.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows to meet its liquidity needs in the next twelve (12) months after the reporting date. The Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

(b) On 2 November 2020, the Company announced that it had entered into a Share Sale Agreement ("SSA") with Sedania Corporation Sdn. Bhd. ("SedaniaCorp"), the ultimate holding company, for the acquisition of 51% equity interest in Offspring Inc Sdn. Bhd. ("Offspring"), for a total purchase consideration of RM15,116,400 to be fully satisfied by cash ("Proposed Acquisition"), and proposed to diversify the business of the Group to include the following business activities:

- (i) Consumer products specialising in healthcare, personal care, household as well as baby and childcare products; and
- (ii) Health technologies specialising in preventive healthcare technology solutions

("Proposed Diversification") (collectively referred as the "Proposals").

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(b) (continued)

The Proposed Acquisition is conditional upon the fulfilment of the conditions precedent set out in the SSA on or before 31 December 2020, or such other date as may be agreed by the Company and SedaniaCorp. The conditions precedent includes:

- (i) the Company being satisfied with the results of its due diligence investigation into the SedaniaCorp's titles to the Sale Shares, the financial and legal due diligence on Offspring ("Due Diligence Exercise") and the Due Diligence Exercise shall be completed by the Company within 30 days from the date of the SSA or any other dates to be mutually agreed by the Parties;
- (ii) that all necessary approvals and consents that may be required to be obtained by the Vendor from the relevant authorities or any person, body or entity, including but not limited to banks and/or financial institutions, contract awarders of Offspring, for the sale of the Sale Shares, the change of controlling interest in Offspring or by reason of the SSA, have been obtained;
- (iii) that any approvals, waivers or consents from relevant authorities or any person, body or entity as may be required by law or regulation or deemed necessary by the Parties to facilitate the acquisition of the Sale Shares (if so required) have been obtained;
- (iv) the Company having obtained the approval of its board of directors for the purchase of the Sale Shares in accordance with the provisions of the SSA and authorising the execution of the Company the SSA and all related documents; and
- (v) the Company having obtained the approval of its shareholders at an extraordinary general meeting ("EGM") to be convened for Proposed Acquisition.

The Proposal are subject to the following approvals being obtained:

- (i) approval of the non-interested shareholder of the Company at an EGM to be convened; and
- (ii) any other relevant authorities and/or parties, if required.

On 21 December 2020, the Company issued a Notice of the EGM to its shareholders for EGM to be held on 4 January 2021 ("Notice").

Subsequently, all the resolutions as set out in the Notice were duly approved by the shareholders of the Company at the EGM held on 4 January 2021. Upon completion of the SSA subsequent to the financial year end, the Company holds 51% equity interest in Offspring, thereby making Offspring a subsidiary of the Company subsequent to the financial year end.

LIST OF PROPERTIES

REGISTERED OWNER	LOCATION	DESCRIPTION AND EXISTING USE	BUILT-UP AREA (SQ. FT.)
Sedania Technologies 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
TENURE	APPROXIMATE AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31 DECEMBER 2020 RM	EFFECTIVE YEAR OF PURCHASE
Freehold	22	800,000	23 May 2011

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2021

Total Number of Issued Shares : 302,191,652
 Class of Shares : Ordinary shares
 Voting Rights : One (1) vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 30 APRIL 2021

Size of Shareholdings	No. of Shareholders	%	No. of Issued Shares	%
Less than 100	8	0.20	200	0.00
100 – 1,000	366	9.09	216,400	0.07
1,001 – 10,000	1,696	42.13	10,995,900	3.64
10,001 – 100,000	1,722	42.77	62,414,200	20.65
100,001 – 15,109,581 (less than 5% of issued shares)	231	5.74	112,702,060	37.29
15,109,582 and more than 5% of issued shares	3	0.07	115,862,892	38.34
TOTAL	4,026	100.00	302,191,652	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2021

(Based on the Register of Substantial Shareholders)

No	Name	No. of Issued Shares Held			
		Direct	%	Indirect	%
1.	Sedania Corporation Sdn. Bhd.	108,082,892	35.77	-	-
2.	MAM PE Asia Fund I (Labuan) LLP	15,780,000	5.22	-	-
3.	Datuk Noor Azrin Bin Mohd Noor	9,286,560	3.07	113,682,892 ⁽¹⁾	37.62

Note:

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

DIRECT AND DEEMED INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS

(a) DIRECTORS

The interests of the Directors in the shares of the Company as at 30 April 2021 including those of his/her spouse and child/children which are deemed interests of the Directors by reference to Section 59(11)(c) of the Companies Act 2016 are maintained by the Company in the Register of Directors' Shareholdings pursuant to Section 59 of the Companies Act 2016, details of which are as follows:-

No.	Name	Direct Interest		Deemed Interest			
		No. of issued shares	%	Spouse No. of issued shares	Child No. of issued shares	Other No. of issued shares	%
1.	Tan Sri Abdul Halim Bin Ali	1,100,000	0.36	-	-	-	-
2.	Datuk Noor Azrin Bin Mohd Noor	9,286,560	3.07	-	-	113,682,892 ⁽¹⁾	37.62
3.	Datuk Noor Syafiroz Bin Mohd Noor	5,600,000	1.85	-	-	-	-
4.	Datuk Syed Izuan Bin Syed Kamarulbahrin	100,000	0.03	-	-	-	-
5.	Lau Kin Wai	-	-	-	-	-	-
6.	Norliza Binti Kamaruddin	-	-	-	-	-	-

Note:

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

(b) NON-DIRECTOR

The shareholdings of Mr. Daniel Bernd Ruppert, the Chief Executive Officer who is not a Director of the Company as at 30 April 2021 including his indirect/deemed interests, are as follows:-

No.	Name	No. of issued shares	No. of ESOS Options granted	No. of ESOS Options Exercised	Direct Interest	
					No. of issued shares	%
1.	Daniel Bernd Ruppert	10,200	-	-	10,200	0.003

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 APRIL 2021

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

No.	Name	No. of Issued Shares	%
1.	Sedania Corporation Sdn. Bhd.	67,082,892	22.20
2.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Malaysia Debt Ventures Berhad for Sedania Corporation Sdn. Bhd.</i>	33,000,000	10.92
3.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. <i>Strategic Acquisitions Pte. Ltd. for MAM PE Asia Fund I (Labuan) LLP</i>	15,780,000	5.22
4.	Nasri Bin Nasrun	14,000,000	4.63
5.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Noor Azrin Bin Mohd Noor (7003861)</i>	6,500,000	2.15
6.	Noor Syafiroz Bin Mohd Noor	5,600,000	1.85
7.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Sedania Corporation Sdn. Bhd.</i>	5,500,000	1.82
8.	Jason Ching Chou-Yi	4,900,000	1.62
9.	Lim Mei Ngoo	3,500,000	1.16
10.	Sedania Corporation Sdn. Bhd.	2,500,000	0.83
11.	Noor Azrin Bin Mohd Noor	2,356,560	0.78
12.	Grup Buku Karang kraf Sdn. Bhd.	2,000,000	0.66
13.	Abu Bakar Bin Uzir	1,700,000	0.56
14.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Chiah Cheang</i>	1,460,000	0.48
15.	Koh Yee Kee	1,200,000	0.40
16.	Muhammad Zaki Bin Yusof	1,200,000	0.40
17.	Abdul Halim Bin Ali	1,100,000	0.36
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Janet Loh Swee Ean</i>	1,000,000	0.33
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chua Wee Chee</i>	1,000,000	0.33
20.	Ng Kang Yee	1,000,000	0.33
21.	Tan Sow Chan	978,600	0.32
22.	Mansor Bin Musa	928,700	0.31

THIRTY (30) LARGEST SHAREHOLDERS AS AT 30 APRIL 2021 (cont'd)

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

No.	Name	No. of Issued Shares	%
23.	M Zainol Bin Mohd Zin	900,000	0.30
24.	Ravi A/L Doraisamy	900,000	0.30
25.	Ravi A/L Doraisamy	900,000	0.30
26.	Esmet Sidqie Bin A Muttalib	750,000	0.25
27.	Simson Sim Xian Zhi	750,000	0.25
28.	Yap Swee Sang	700,000	0.23
29	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Goh Wai Weng (E-KPG)</i>	695,400	0.23
30.	Chung Fah Woon	690,000	0.23
TOTAL		180,572,152	59.75



NOTICE OF THE SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting ("**7th 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 Thursday, 24 June 2021 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 2020 together with the Reports of the Directors' and Auditors' thereon. | <i>Please refer to Explanatory Note A</i> |
| 2. To approve the payment of Directors' fees to the Non-Executive Directors for up to RM150,000/- from 25 June 2021 until the next Annual General Meeting (" AGM ") of the Company. | Resolution 1
(<i>Explanatory Notes B</i>) |
| 3. To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors for up to RM102,500/- from 25 June 2021 until the next AGM of the Company. | Resolution 2
(<i>Explanatory Notes B</i>) |
| 4. To re-elect the following Directors who are retiring by rotation in accordance with Clause 21.6 of the Company's Constitution and being eligible, have offered themselves for re-election: -

(i) Tan Sri Abdul Halim Bin Ali
(ii) Datuk Noor Azrin Bin Mohd Noor | Resolution 3
Resolution 4 |
| 5. To re-appoint Messrs. BDO PLT as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. | Resolution 5 |

SPECIAL BUSINESS

To consider and if thought fit, with or without modifications, to pass the following Ordinary Resolution:-

6. Authority to Allot and Issue Shares pursuant to the Companies Act 2016

Resolution 6
(Explanatory
Note C)

"THAT subject to the Companies Act 2016 ("**Act**"), the Constitution of the Company, the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75(1) and 76(1) of the Act 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 to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

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

BY ORDER OF THE BOARD

(duly signed)

CHUA SIEW CHUAN (SSM PC No.: 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC No.: 202008000730) (MAICSA 1032514)
Company Secretaries

Kuala Lumpur
24 May 2021

Notes:

- (a) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a General Meeting Record of Depositors as at **16 June 2021** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy or proxies to attend and/or vote in his/her stead.
- (b) A member of the Company entitled to attend and vote at this meeting is entitled to appoint more than one (1) proxy to attend, participate, vote and speak in his/her stead at the same meeting. There shall be no restriction as to the qualification of the proxy. Where a member of the Company appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- (c) Where a member is an authorised nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- (d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
- (f) A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 7th AGM must request his/her proxy or attorney or corporate representative to submit their Pre-Register at TIIH Online website at <https://tiih.online> no later than **Tuesday, 22 June 2021 at 10.00 a.m.** Please follow the Pre-Register Procedures in the Administrative Guide for the 7th AGM.

(g) Publication of Notice of 7th AGM and Proxy Form on corporate website

Pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice of 7th AGM together with the Proxy Form are available at the corporate website of Sedania Innovator Berhad at <https://www.sedaniainnovator.com/agm>.

(h) Appointment of Proxy(ies)

A member may obtain the Proxy Form for the 7th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form:-

(i) Hard copy form

In the case of appointment made vide hard copy form, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or notarially certified copy of such power or authority, shall be deposited at the Share Registrar's Office at 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, Wilayah Persekutuan or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof i.e. no later than **Tuesday, 22 June 2021 at 10:00 a.m.**

(ii) Electronic form

In the case of appointment made in electronic form, the transmission/ lodgement of Proxy Form should be made no less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof i.e. no later than **Tuesday, 22 June 2021 at 10:00 a.m.:-**

(A) Vide Facsimile (**Fax Number: 03-2783 9222**); or

(B) Vide Email (is.enquiry@my.tricorglobal.com); or

For option **(A)** and **(B)**, the company may request any member to deposit original executed Proxy Form to the Company's Share Registrar before or on the day of meeting for verification purpose, **otherwise the said Faxed/ Emailed Proxy Form shall not be treated as valid.**

(C) Vide Tricor Online System (TIIH Online)

A member may register as a user with TIIH Online, whereby the Proxy Form for the 7th AGM may be electronically lodged via TIIH Online (applicable for individual shareholder only). The website to access TIIH Online is <https://tiih.online>.

(Kindly refer to Administrative Guide of 7th AGM – Electronic Submission of Proxy Form via TIIH Online).

EXPLANATORY NOTE A:

The Audited Financial Statements under Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval from the members for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

EXPLANATORY NOTES B:

Resolution 1 – Directors' fees payable from 25 June 2021 up to the next AGM of the Company ("**Relevant Period**").

The proposed Resolution 1, if passed will allow the Company to pay Directors' fees of RM5,000/- per month to the Non-Executive Chairman and RM2,500/- per month each to three (3) Non-Executive Directors from 25 June 2021 until the next AGM of the Company.

In spearheading a Groupwide cost reduction measure to mitigate the financial impact of the Coronavirus Disease ("**Covid-19**") pandemic on the Group, the Board has voluntarily reduced its Directors' Fees by 30% with effect from 1 May 2020.

Resolution 2 – Benefits payable from 25 June 2021 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, various factors have been considered including the number of meetings for the Directors and Board Committees as well as the number of Directors involved in these meetings and other benefits in-kind payable to the Non-Executive Chairman and Non-Executive Directors.

The estimated amount of RM102,500/- for the Relevant Period is derived from a total of RM72,000/- for the financial year ending 31 December 2021 and RM30,500/- for the period from 1 January 2022 until the next AGM in year 2022. Payment of the benefits payable will be made by the Company on a monthly basis and/or as and when incurred if the proposed Resolution 2 is passed at the 7th AGM of the Company.

In the event that the Directors' fees and benefits payable proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional Directors' fees and benefits to meet the shortfall.

EXPLANATORY NOTE C:

The Company wishes to renew the mandate on the authority to allot and issue shares pursuant to Sections 75(1) and 76(1) of the Act at the 7th AGM of the Company ("**General Mandate**").

The Company had at the last AGM held on 29 June 2020 obtained the 20% general mandate pursuant to Sections 75 and 76 of the Act and the "Additional Temporary Relief Measures To Listed Issuers" as granted by Bursa Securities on 16 April 2020 ("**Previous Mandate**").

Pursuant to the Previous Mandate, the Company had undertaken a private placement of up to 58,033,400 new ordinary shares in the Company ("**Placement exercise**"). Approximately 25% of the said Placement exercise was completed via issuance of 14,500,000 new shares at issued price of RM0.132 each and being listed on 26 October 2020. The proceeds raised from the said Placement exercise was RM1.91 million.

As at the date of this Notice, the details of the utilisation of the proceeds raised from the Private Placement were as follows:-

Purpose	Proposed Utilisation RM'000	Amount Utilised RM'000	Intended Timeframe for Utilisation	Deviation RM'000	%	Explanations (if the deviation is 5% or more)
Green Technology Solutions ("GreenTech") segment	1,247	900	Within 12 months	348	28%	(1)
General working capital	563	563	Within 12 months	0	-	(a) & (b)
Private Placement expenses	104	51	Within 1 month	53	51%	(b)
Total gross proceeds	1,914	1,514		401	21%	

Explanation:

(1) The Group's GreenTech energy saving devices installation works are still in progress.

Notes:

(a) The general working capital allocated from this round of Private Placement has been fully utilised as at 31 December 2020.

(b) The actual expenses incurred for this round of Private Placement was lower than the estimated expense. The balance shall be utilised in the next round of Private Placement under this proposed corporate exercise.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

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SEDANIA INNOVATOR BERHAD

[Registration No. 201301044527 (1074350-A)]



Total number of ordinary shares held	
CDS Account No.	

PROXY FORM

(Before completing this form please refer to the notes below)

*I / We, _____
(FULL NAME IN BLOCK LETTER)

*NRIC / Passport / Registration No.: _____ Contact No.: _____
of. _____
(FULL ADDRESS)

being a *member/members of **SEDANIA INNOVATOR BERHAD** ("Company"), hereby appoint:-

Full Name (IN BLOCK LETTER):	NRIC / Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:			
Email Address:			
Telephone No.:			

*and / or,

Full Name (IN BLOCK LETTER):	NRIC / Passport No.:	Proportion of Shareholdings	
		No. of Shares	%
Full Address:			
Email Address:			
Telephone No.:			

or failing *him/her, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Seventh 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 Thursday, 24 June 2021 at 10:00 a.m. or any adjournment thereof.

No.	Resolutions	FOR	AGAINST
1.	Payment of Directors' fees to the Non-Executive Directors for up to RM150,000/- from 25 June 2021 until the next AGM of the Company.		
2.	Payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors for up to RM102,500/- from 25 June 2021 until the next AGM of the Company.		
3.	To re-elect Tan Sri Abdul Halim Bin Ali as Director.		
4.	To re-elect Datuk Noor Azrin Bin Mohd Noor as Director.		
5.	To re-appoint Messrs. BDO PLT as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
6.	Authority to allot and issue shares pursuant to the Companies Act 2016.		

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If no specific direction as to vote is given, the proxy/proxies will vote or abstain from voting at his/her discretion.)

Dated this _____ day of _____, 2021

Signature / Common Seal of Shareholder

*delete whichever is not applicable

Fold this flap for sealing

Notes:

- (a) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a General Meeting Record of Depositors as at **16 June 2021** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy or proxies to attend and/or vote in his/her stead.
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- (c) Where a member is an authorised nominee, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- (d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (e) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of an officer or attorney duly authorised.
- (f) A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 7th AGM must request his/her proxy or attorney or corporate representative to submit their Pre-Register at **TIIH Online** website at <https://tiih.online> no later than **Tuesday, 22 June 2021 at 10.00 a.m.** Please follow the Pre-Register Procedures in the Administrative Guide for the 7th AGM.
- (g) **Publication of Notice of 7th AGM and Proxy Form on corporate website**
Pursuant to Section 320(2) of the Companies Act 2016, a copy of the Notice of 7th AGM together with the Proxy Form are available at the corporate website of Sedania Innovator Berhad at <https://www.sedaniainnovator.com/aggm>.

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(h) **Appointment of Proxy(ies)**

A member may obtain the Proxy Form for the 7th AGM vide Note (g) above or the Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Malaysia Securities Berhad. The appointment of proxy(ies) may now be made vide a hard copy form or in electronic form:-

(i) **Hard copy form**

In the case of appointment made vide hard copy form, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or notarially certified copy of such power or authority, shall be deposited at the Share Registrar's Office at 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, Wilayah Persekutuan or alternatively, at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof i.e. no later than **Tuesday, 22 June 2021 at 10:00 a.m.**

(ii) **Electronic form**

In the case of appointment made in electronic form, the transmission/ lodgement of Proxy Form should be made no less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof i.e. no later than **Tuesday, 22 June 2021 at 10:00 a.m.**:-

- (A) Vide Facsimile (**Fax Number: 03-2783 9222**); or
(B) Vide Email (is.enquiry@my.tricorglobal.com); or

For option (A) and (B), the company may request any member to deposit original executed Proxy Form to the Company's Share Registrar before or on the day of meeting for verification purpose, **otherwise the said Faxed/ Emailed Proxy Form shall not be treated as valid.**

(C) Vide Tricor Online System (TIIH Online)

A member may register as a user with TIIH Online, whereby the Proxy Form for the 7th AGM may be electronically lodged via TIIH Online (applicable for individual shareholder only). The website to access TIIH Online is <https://tiih.online>. (Kindly refer to Administrative Guide of 7th AGM – Electronic Submission of Proxy Form via TIIH Online).

Affix Stamp

The Share Registrar

SEDANIA INNOVATOR BERHAD

[Registration No. 201301044527 (1074350-A)]

c/o 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

Wilayah Persekutuan

Fold this flap for sealing

SEDANIA INNOVATOR BHD

[Registration No. 201301044527 (1074350-A)]

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