SEAL
INCORPORATED BERHAD
196201000416 (4887-M)

INSPIRING
SUSTAINABLE GROWTH
ANNUAL REPORT 2020

CONTENTS

CORPORATE INFORMATION

DIRECTORS
Tuan Haji Abdul Hamid Bin Mohd Hassan
Chairman, Executive Director

Dato' Sri Koay Teng Choon
Executive Director

Datuk Tan Hiang Joo
Senior Independent Non-Executive Director

Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid
Independent Non-Executive Director

Allen Chee Wai Hong
Independent Non-Executive Director

Yow Yan Seong
Independent Non-Executive Director

AUDIT COMMITTEE
Chairman
Allen Chee Wai Hong

Members
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid
Datuk Tan Hiang Joo

REMUNERATION COMMITTEE
Chairman
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid

Members
Dato' Sri Koay Teng Choon
Datuk Tan Hiang Joo
Allen Chee Wai Hong

NOMINATING COMMITTEE
Chairman
Datuk Tan Hiang Joo

Members
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid
Allen Chee Wai Hong

EXECUTIVE COMMITTEE
Chairman
Dato' Sri Koay Teng Choon

Members
Tuan Haji Abdul Hamid Bin Mohd Hassan

SECRETARIES
Chan Eoi Leng (SSM PC No. 202008003055) (MAICSA 7030866)
Ong Tze-En (SSM PC No. 202008003397) (MAICSA 7026537)

REGISTERED OFFICE
55A, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan, Malaysia
Tel No. : +605-5474833
Fax No.: +605-5474363

REGISTRARS
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel No. : +603-78904700
Fax No.: +603-78904760

PRINCIPAL PLACE OF BUSINESS
Level 3A, ELIT Avenue Business Park
1-3A-18 Jalan Mayang Pasir 3
11950 Bayan Baru, Penang, Malaysia
Tel No. : +604-6183333
Fax No.: +604-6370333
Website: www.sib.com.my

AUDITORS
Grant Thornton
Level 5 Menara BHL Bank
51 Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

BANKERS
AmBank (M) Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad
CIMB Bank Berhad
Hong Leong Islamic Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
Bank Islam Malaysia Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Eighth Annual General Meeting ("58th AGM") of Seal Incorporated Berhad ("SEAL") will be hend at Olive Tree Hotel, Olive 4,5 & 6, Level 6, 76 Jalan Mahsuri, 11950 Bayan Lepas, Penang, Malaysia on Thursday, 3 December 2020 at 9.30 a.m. for the following purposes:

AGENDA	**ORDINARY RESOLUTION**
As ORDINARY BUSINESS:	**(Please refer to Note 2)**
1. To receive the Audited Financial Statements for the financial year ended 30 June 2020, together with the Directors' and Auditors' Reports thereon.	
2. To approve payment of Directors' fees of RM192,000 in respect of the financial year ended 30 June 2020.	**1**
3. To re-elect the following Directors retiring pursuant to the Constitution of the Company:-	
3.1 Datuk Tan Hiang Joo	**2**
3.2 Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	**3**
4. To re-elect Yow Yan Seong as Director who was appointed during the year and retires in accordance with the Company's Constitution and being eligible, offers himself for re-election.	**4**
5. To re-appoint Grant Thornton as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting ("AGM") and to authorise the Directors to fix their remuneration.	**5**

As **SPECIAL BUSINESS** to consider and, if thought fit, pass the following resolutions:

6. **Proposed Authority to Allot and Issue Shares pursuant to Section 76 of the Companies Act 2016** — **6**

"That, subject to the Companies Act 2016 and the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities"), Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 76 of the Companies Act 2016 to allot and issue shares in the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company held next after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier.

7. **Proposed Renewal of Share Buy Back Authority** — **7**

"That, subject to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:

i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the retained profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. As at 30 June 2020, the retained profits of the Company is RM137,219,943; and
iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):

a) the shares so purchased may be cancelled; and/or
b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

And that any authority conferred by this resolution may only continue to be in force until:

i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act 2016, the provisions of the Constitution of the Company and the MMLR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board
Chan Eoi Leng (SSM PC No. 202008003055) (MAICSA 7030866)
Ong Tze-En (SSM PC No. 202008003397) (MAICSA 7026537)

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
30 October 2020

NOTES:

1. PROXY

Only members whose names appear on the Record of Depositors as at 26 November 2020 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

A member (other than an exempt authorised nominee) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies. A proxy must be 18 years and above and may but need not be a member of the Company.

Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrar Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting, either by hand, post, courier, electronic mail to BSR.Helpdesk@boardroomlimed.com or fax (+603)78904670, otherwise the instrument of proxy should not be treated as valid.

For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.

2. AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 JUNE 2020

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act 2016 only requires the Audited Financial Statements to be laid before the Company at the Annual General Meeting and not shareholders' approval. Hence, Agenda 1 will not put forward for voting.

3. DIRECTORS' FEES

Section 230(1) of the Companies Act 2016 provides amongst others, that "fees" of the directors of a listed company and its subsidiaries shall be approved at a general meeting. The Directors' Fee pursuant thereto, shareholders' approval is sought for the payment of Directors' fees in respect of the financial year ended 30 June 2020 under Resolution 1.

In February 2020, annual remuneration review was conducted by the Remuneration Committee and the Directors' Fee for the financial year ("FY") 2020 was remained the same as previous year FY2019 as follows:

Directors' Fee	FY 2019 (RM)	Approval for FY 2020 (RM)
Non-Executive Directors	48,000 p.a.	48,000 p.a.

4. RE-APPOINTMENT OF AUDITORS

The Audit Committee ("AC") has carried out an assessment of the suitability and independence of the external auditors, Grant Thornton and was satisfied with the suitability of Grant Thornton based on the quality of audit, performance competency and sufficiency of resources the external audit team provided to the Group. The AC in its assessment also found Grant Thornton to be sufficiently objective and independent.

The Board therefore approved the AC's recommendation that the re-appointment of Grant Thornton as external auditors of the Company be put forward to shareholders for approval at the 58th AGM.

5. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

The proposed Resolution 6 if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to and not exceeding in total twenty percent (20%) of the issued share capital of the Company (excluding Treasury Shares) ("20% General Mandate"), provided that the following are being complied with:

(a) Procure shareholders' approval for the 20% General Mandate at a general meeting; and
(b) Complies with all relevant applicable legal requirements, including its Constitution or relevant constituent document.

The 20% General Mandate is pursuant to directive letter from Bursa Securities dated 16 April 2020 in relation to a temporary relief measures in view of the trying and challenging times due to the COVID-19 pandemic for listed issuer to seek a higher general mandate of not more than 20% of the total number of issued shares (excluding treasury shares) instead of 10%. This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. This 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 20% of the total number of issued share of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

6. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

The proposed Resolution 7 if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 10% of the total number of issued shares of the Company. Details of the Proposed Share Buy Back are contained in the Share Buy Back Statement dated 30 October 2020.

MANAGEMENT DISCUSSION & ANALYSIS

Group's Business and Operation Overview

Starting as a group involved in integrated timber industry, Seal Incorporated Berhad and its subsidiaries ("the Group") transformed into property industry with the full spectrum of property related activities, namely, property development, property management, property investment and construction under its wing. On top of the development activities carried out in the North, the Group has made an entry into Cheras with a bang, as a turnkey contractor to Queensville mixed development project at Bandar Sri Permaisuri which now is the talk of the town. It will not only alter Cheras's skyline, it will propel demographic changes and make Cheras a commercial hub. Our strategy is to provide the Group with opportunity to create greater economic value and increase the earnings potential of the Group over the medium to long term as the project has prospects for more up market development.

On 29 June 2020, the Board of Directors announced the non-renewal of the lease of Selayang Mall Agreement under property management division in view of the fact that the new terms and conditions, particularly the rental rates being offered at an annual increase averaging RM1.5 million for the next five years by the lessor is an immense burden to the Group. This along with the challenges caused by COVID-19 pandemic that has brought the retail businesses practically to a standstill, makes the outlook for the operation of the Selayang Mall not longer viable. Hence, the non-renewal of Lease Agreement would assist in reducing further losses from the property management division.

Financial Performance Review

For the financial year ended 30 June 2020, the Group recorded a revenue of RM38.6 million and profit before tax RM19.9 million, a decrease of RM61.6 million in revenue and RM8.1 million in profits before tax. Property development and construction generates about 33.5% of the Group's revenue while property management and property investment contribute about 49.1%.

The reduction in revenue is due to impact of the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") that were effective from 18 March 2020 to 9 June 2020. Despite construction work was allowed to operate earlier, we were hampered by the inability to conduct the mandatory COVID-19 tests for all the property construction division's foreign workers before being allowed to commence work in early June 2020 and the absence of income from timber related activities.

As for the Group's profit margin, its profit before tax decreased about RM8.1 million mainly resulted from the lower recognition of sales thus lower profit under property construction division amounted to RM3.9 million, a decrease in profit by RM1.7 million under property management division resulted from rental rebates to assist tenants affected by the drop in business caused by the closure of the mall during the MCO and CMCO, and the expenses taken up due to non-renewal of lease for Selayang Mall (employees termination benefits and reinstate expenses). Under the development project in Sungai Petani where a levy fee paid amounted to RM1.7 million was imposed by the local authorities for the release of bumi quota and the absence of income under timber related division.

Selayang Mall is one of the leading shopping malls in Northern Klang Valley. The uncertainty and volatile market conditions caused by the COVID-19 pandemic suffers a decrease of RM2.6 million in revenue when compared with the last financial year 2019, resulting from rental reductions meant to assist tenants affected by restrictions during the MCO and CMCO.

Elit Avenue comprises commercial lots located at Bayan City, Bayan Baru in Penang. The Elit Avenue average occupancy rates of retail spaces suffered a minimal drop from 89.7% to 89.1%. The Q Tower Block and Avenue commercial lots, both located at Queensville, Bandar Sri Permaisuri, were acquired on 2 April 2019 and 5 August 2019 respectively. The investment properties segment brought in approximately RM2.8 million in revenue for the financial year 2020. Nevertheless, in view of the COVID-19 impact, the Group was obliged to grant rental reductions to tenants who are genuinely affected by MCO and CMCO in order to support continuation of their business.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Market outlook

Bank Negara reported the Malaysian economy's contraction, since the Global Financial Crisis in the second quarter of 2020, of a 17.1%, brought about by low demands arising from weak external demand conditions and strict containment measures. Weak growth was recorded across all economic sectors with the imposition of the MCO. The MCO was followed by the Conditional and Recovery MCO, during the second quarter.

The construction industry fared the worst with a 44.0% decline as almost all activities came to a standstill in the month of April 2020. It is noteworthy to mention that this decline is more than double the next worst sector, mining, which registered a 20.0% and manufacturing with a 18.0% fall in output. Despite the partial reopening of the economy in May 2020, most construction sites face challenges to resume constructions due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures ("SOP").

However, the Group is confident in coping with the challenges.

Business prospects moving forward

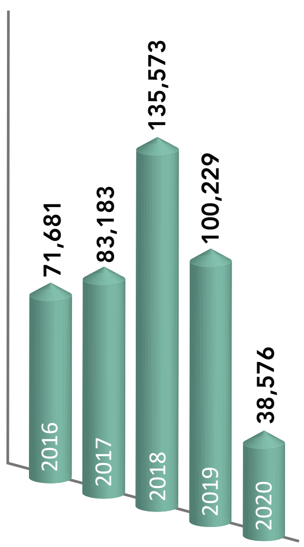
We expect the current challenges and prolonged COVID-19 impacts to persist into the next financial year.

With downsizing and cost cutting firmly in place, the Group is planning to conserve its cash position while relying on its recurring income streams for near term sustenance and will use the downtime in economic activity to reassess the most opportune time as to when the Group will roll out its next development plans for expansion. However, the Group suspects that this will be soon and is quite optimistic about new business opportunities. The Group will focus on the Phase II construction of its Bandar Sri Permaisuri project as the main driver for growth in late 2021 with the hope that the pandemic will be safely behind us riding in the stronger forecasted Gross Domestic Product growth by Bank Negara.

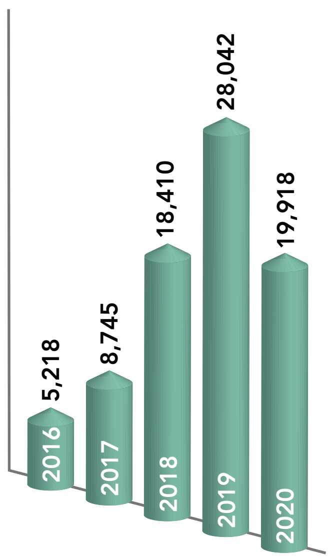
FINANCIAL HIGHTLIGHT

Year	2016	2017	2018	2019	2020
Revenue (RM'000)	71,681	83,183	135,573	100,229	38,576
Profit before tax (RM'000)	5,218	8,745	18,410	28,042	19,918
Profit after tax (RM'000)	2,837	824	14,318	19,844	16,161
Profit attributable to:					
owner of the parent (RM'000)	3,596	(9,037)	14,853	19,801	16,070
non-controlling interest (RM'000)	(759)	9,861	(536)	43	91
Total Assets (RM'000)	388,541	358,013	397,483	429,488	457,676
Shareholders' equity (RM'000)	241,198	252,219	266,868	286,669	302,739
Basic earnings per share (sen)	1.67	(3.98)	6.27	8.35	6.78
Net assets per share (RM)	1.12	1.06	1.13	1.21	1.28

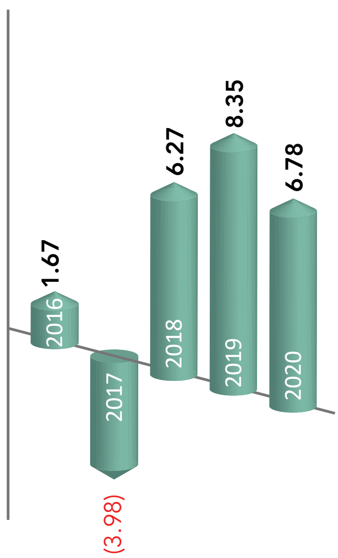
REVENUE (RM'000)



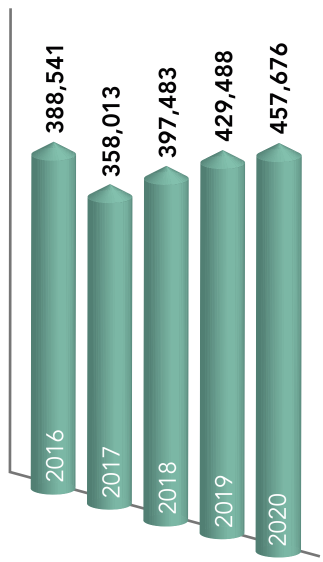
PROFIT BEFORE TAX (RM'000)



BASIC EARNINGS PER SHARE (SEN)



TOTAL ASSETS (RM'000)



SUSTAINABILITY STATEMENT

Embracing Sustainability

Seal Incorporated Berhad and its subsidiaries ("SEAL" or "the Group") is constantly striving to fulfil its vision of delivering value growth to its employees and shareholders, while operating as a socially responsible organisation.

In order to achieve this vision, the Group is steadfast in embracing the tenets of sustainability throughout its value chain. This resolve is based on the understanding that a sustainability oriented operation can be an enabler that drives profitability and success in tandem with enriching lives within communities or society at large.

The following Sustainability Statement highlights the Group's economic, environment and social ("EES") opportunities and risks that are associated with its business operations throughout the financial period of 1 July 2019 to 30 June 2020.

This Sustainability Statement is prepared in accordance with the Main Market Listing Requirements and guided by the Sustainability Reporting Guide and Toolkit by Bursa Malaysia.

Embedding Sustainability

The Board of Directors of SEAL holds the ultimate responsibility for the implementation and monitoring of all aspects of sustainability for the Group. The Board provides both oversight and leadership to ensure that the organisation's sustainability strategy supports long-term value creation for all its stakeholders.

The Board has tasked the Executive Director to review, deliberate and approve the Group's sustainability strategy and initiatives. Sustainability strategies and initiatives put forward by the Executive Director must be endorsed by the Board.

The Executive Director is supported by a dedicated Sustainability Committee that is made up of relevant employees within the Group. The Sustainability Committee identify and engages relevant stakeholders, determine and manages material sustainability matters, proposes sustainability initiatives, implement and monitors the Group's sustainability agenda.

"Seal Incorporated Berhad and its subsidiaries ("SEAL" or "the Group") is constantly striving to fulfil its vision of delivering value growth to its employees and shareholders, while operating as a socially responsible organisation."

Materiality Assessment Process

An organisation's key material sustainability matters are assessed based on a myriad of factors, both internal as well as external.

While EES factors will underpin this assessment, it is important to focus on priorities that will create long-term value across our stakeholders.

SEAL has undertaken a materiality assessment process that is predicated on the Group's core business activities including property development, construction, commercial leasing and timber related activties.

The materiality assessment is conducted by the Sustainability Committee, which reports to the Executive Director. Material sustainability matters are also assessed and prioritised by taking into consideration views and concerns of the Group's internal and external stakeholders.

Key Stakeholder Groups	Engagement Method
Employees	Meetings Internal communications
Shareholders and Investors	Annual General Meeting
Customers	Customers feedbacks Site visits Business meetings
Contractors and Suppliers	Visits Supplier feedbacks
Government and Regulators	Feedback from regulatory bodies Site visits and inspections
Communities	Corporate Social Responsibility events

Material Sustainability Matters

SEAL has identified the following Material Sustainability Matters of the Group, which takes into consideration the Group's significant EES aspects and their influence on stakeholders' assessments and decisions.

The Material Sustainability Matters are categorised within the three sustainability pillars of EES.

ECONOMIC

1. Material Sustainability Matter: Providing Job Opportunities for Local Workers

The property sector is one of the primary contributors to the nation's economy in terms of job creation as well as powering overall econimic growth. The property eco-system, from building and development to sales and marketing, employs a significant portion of the Malaysian workforce.

As an established has provided direct as well as indirect employment for people in communities we operate in. We are proud to note that 100% of our (total number of) employees throughout our offices in Malaysia are *Anak Malaysia*.

Additionally, SEAL's property projects are in various high-growth locations throughout Malaysia including Kuala Lumpur, Sungai Petani and Penang. Within the locations where we operate, SEAL utilises predominantly local vendors, service providers and suppliers. This indirectly generates a positive multiplier effect to local businesses and communities in and around the Group's developments.

2. Material Sustainability Matter: Commitment Towards Integrity

It is of utmost importance that SEAL observe the highest standards of ethics and integrity when conducting its business activities, especially when the core business of the Group involves the building of homes and commercial buildings.

Therefore, the Group's employees are required to adhere to strict ethics and integrity standards during the performance of their duties to ensure compliance with laws and regulations and to safeguard the interest of the Group's business. In tandem, SEAL operates on a zero tolerance principle against corruption, including bribery and fraud, while maintaining a high accountability in its business practices.

SEAL ensures that ethical business practices are embedded in its daily operations via the adoption of the Malaysian Code of Corporate Governance ("MCCG") Principles as well as implementation of Code of Conduct and Business Ethics listed in the Employee Handbook.

SEAL is also committed to comply with all laws and regulations in relation to its core business activities including:

1) Construction and property development regulations;
2) Environment regulations and guidelines; and
3) Labour practices.

By ensuring compliance with these regulatory requirements, SEAL is able to operate in a manner that is trustworthy, transparent and responsible.

For the financial year under review, the Group has recorded zero incidence of whistleblowing case concerning ethical business practices. The Group will continuously review its policies and processes in place to enable the observance of high ethical and integrity standards in the conduct of the Group's business.

<u>Ensuring ethical and integrity-focused procurement practices</u>

While SEAL consistently strives to achieve excellence in ethical operations, it is equally important that the Group's business partners, vendors, service providers and suppliers are just as committed towards embracing integrity when doing business with SEAL.

In view of this, all vendors and suppliers are assessed carefully by the procurement team. Service level agreement signed between SEAL and its vendors will also stipulate the need to adhere to the Group's standards and codes of conduct. In addition, all vendors are also required to undergo an annual performance evaluation to ascertain delivery and compliance.

Procurement best practices as well as robust oversight of the procurement process are continuously being Incorporated within the Group's operations.

In addition to processes, SEAL also believes that constant engagement with our vendors will create a long lasting and mutually beneficial relationship based on trust and confidence. As such, SEAL has always placed priority on sourcing locally and supporting the local building and property eco-system. This helps assure its stakeholders that the organisation is committed to 'doing business the right way', which will in turn solidify support and loyalty.

ENVIRONMENTAL

3. Material Sustainability Matter: Waste Management

SEAL is cognisant that waste is part and parcel of the operations of any property company and managing waste effectively forms a significant part of a property developer's sustainability agenda.

Waste Management in Construction and Development

Waste, whether hazardous or non-hazardous, as well as any effluent that is generated throughout the property development process must be disposed in the right manner to safeguard our natural resources as well as to protect the health of those who live in and around the building area.

From a property development perspective, SEAL consistently strives to ensure that 100% of its building waste and effluent are handled by professional waste management vendors that are licensed by the local authorities. The Group also makes sure that waste and effluent from its project sites are disposed in authorised landfills or destroyed in a proper manner.

The Group has also prepared a waste management plan to minimise the generation of waste material. This plan starts with the monitoring of waste production and waste flow. A strategic process was then established to manage and track waste transfer in a way that can reduce the waste that is produce, recycle waste material if allowable and if not, dispose of the waste accordance to regulations.

SEAL is pleased to note that the Group has not received any complaints or penalties by the authorities for improper waste management related to our development projects during the year under review.

Waste Management in Office Operations

Similar to managing waste at the Group's project sites, waste management in office operations also require a proper plan and strategy.

In terms of waste that comes from day-to-day office operations such as paper, plastic and other forms of commercial material, SEAL's Waste Management Plan (Office Operations) encapsulates the 3Rs of Reduce, Reuse and Recycle. Through thorough monitoring and planning, waste that are generated are separated into the respective 3R categories and then managed accordingly. The objective is to reduce waste as much as possible; preserving the environment and at the same time save operational cost.

SEAL employees have also been inculcated with waste minimization habits like recycling paper, double-sided printing of documents to reduce paper usage and printing of documents that are transmitted through electronic communication channels only when necessary.

4. Material Sustainability Matter: Environmental Compliance

As a property company, SEAL aims to reduce the impact of its operations on the environment at every stage of the property development value chain. This includes land acquisition, planning and design to procurement, construction, transportation and operation and maintenance.

The Group is always mindful of incorporating 'green' aspects into its design elements including innovations that can reduce consumption of water, energy and raw material.

As importantly, SEAL has always adhered to regulatory compliance and will conduct an Environmental Impact Assessment on its projects to identify environmental risks and opportunities if stipulated by the authorities.

In accordance to SEAL's Environmental Management Procedure at its project sites, initiatives to safeguard the environment include the periodic monitoring of air and water quality in and around a project site; consistent spraying of water to reduce air pollution; and putting in place anti-noise elements like barriers and mufflers, as and when necessary.

In addition to this, SEAL also uses low and non-Volatile Organic Components ("VOC") paints, solvents, adhesives and carpets to protect air quality; ensures building insulants have zero ozone-depleting potential; and as much as possible, try to use recycled materials within the construction process.

During the year under review, the Group did not violate any environmental laws and regulations and has not been penalised or fined for any major environmental violation.

Environmentally-conscious employees

"Going Green" is a continuous process and as such the Group also carries out initiatives to educate its employees in adopting 'green' initiatives or coming up with creative environmental friendly solutions that can be incorporated into daily operations.

SEAL is also exercising water-saving habits and adopting good water conversation practices by recycling water and harvesting rainwater for irrigation and cleaning purposes.

SOCIAL

5. Material Sustainability Matter: Employee Well-being

SEAL strongly believes that its employees form the backbone of the organisation and a key factor in driving the growth and success of the Group. Furthermore, as the Group operates in a highly competitive industry, the right talent and a motivated workforce are critical towards delivering innovation and quality for the organisation.

SEAL has put in place a robust and up-to-date recruitment protocol when it comes to recruiting candidates who have the right skill-set and mind-set to contribute positively to the Group. When it comes to hiring policies, SEAL embraces equal employment without discriminating gender, age, religion, race and ethnicity. SEAL also rejects the use of forced labour and child labour and will never be involved in human trafficking.

SEAL has always cared deeply for its employee's well-being. After all, retaining the right talent is equally as important as recruiting.

In addition to providing a secure and friendly workplace, the Group also invest in supporting human capital development through various training and workshops across all levels and business divisions.

Table on trainings conducted in financial year ended 2020 as follows:-

- Seminar on Chiller Efficiency & Factory Chiler Load Test to AHRI 550/590
- Taklimat & Latihan Pengisian Borang B Melalui Online
- Tax Treatment on Interest Income, Interest Expenses & Rental Income
- MFRS 15 : Mastering Revenue Recognition From Contracts with Customer
- BEM Training & Education Roadshow 2018
- National Tax Seminar 2019
- IFRS Masterclass 2019
- Tax Seminar on Budget 2020
- Payroll workshop
- HR Management During COVID-19 Under Malaysian Labour Law
- The Law of Retrenchment & Termination
- The Impact of COVID-19 on Compliance with Various MFRS/IFRS
- COVID-19 : Impact on MFRS 16 Leases
- Critical Tax Issues due to COVID-19
- Transfer Pricing Consideration due to COVID-19

When it comes to building a cohesive and harmonious team, SEAL organises annual dinners, company trips, team building, employees' birthday celebration as well as sports and recreational activities as a means to foster closer ties and great camaraderie.

6. Material Sustainability Matter: Local Community Enrichment

The welfare and well-being of communities in which SEAL operates in remain a priority for the sustainability focused organisation.

In addition to running its day-to-day operations, the management and employees of SEAL are encouraged to come up with ideas and participate actively in initiatives that enriches the lives of people within these communities.

By cultivating the spirit of caring and giving, the organisation is able to establish a socially responsible, civic minded and compassionate corporate culture that can translate into improved productivity and performance.

During the year under review, SEAL has contributed to various charitable organisations, schools and worthy causes via donation and sponsorships. Employees of SEAL have also participated actively in fund raising activities such as the Penang Run, organised a blood donation campaign in Selayang Mall as well as spearheaded an AIDS awareness campaign. In Penang, the team visited the Shan Children's Home and spent quality time with the children and caregivers.

PROFILE OF DIRECTORS

Tuan Haji Abdul Hamid Bin Mohd Hassan

Dato' Sri Koay Teng Choon

Yang Teramat Mulia Raja Kecil Tengah Perak
Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid

Datuk Tan Hiang Joo

Allen Chee Wai Hong

Yow Yan Seong

TUAN HAJI ABDUL HAMID BIN MOHD HASSAN

Malaysian | Aged 82 | Male
Chairman, Executive Director
Member, Executive Committee

He was appointed to the Board on 7 February 2002. He became a member of the Remuneration Committee and Executive Committee on 22 August 2002. Subsequently, he resigned as member of Remuneration Committee on 28 October 2016.

He was President of the Malaysian Institute of Taxation. He has 33 years of experience working in the Department of Inland Revenue from which he retired in June 1993 as Deputy Director General. He was the General Manager of Paramount Malaysia (1963) Sdn. Bhd. from July 1993 to August 1997 and the General Manager of the taxation division of the See Hoy Chan Sdn. Bhd. group of companies from August 1997 to January 2002.

He also sits on the Board of the Company's subsidiary, Great Eastern Mills Berhad and several other subsidiaries.

DATO' SRI KOAY TENG CHOON

Malaysian | Aged 57 | Male
Executive Director
Chairman, Executive Committee
Member, Remuneration Committee

He was appointed to the Board on 12 September 2005. He was then appointed as Chairman of the Remunertion Committee and as a member of the Nominating Committee on 20 April 2012. Subsequently, he was redesignated as a member of the Remuneration Committee, ceased to be member of the Nominating Committee and appoined as a member of the Executive Committee on 24 November 2014 and redesignated as Chairman of the Executive Committee on 6 October 2020. He has been a director of several private limited companies involved in trading and investment holding since year 1999.

He also sits on the Board of the Company's subsidiary, Great Eastern Mills Berhad and several other subsidiaries.

YANG TERAMAT MULIA RAJA KECIL TENGAH PERAK RAJA DATO' SERI ISKANDAR BIN RAJA ZIRAN @ RAJA ZAID

Malaysian | Aged 79 | Male
Independent Non-Executive Director
Member, Audit Committee
Chairman, Remuneration Committee
Member, Nominating Committee

He was appointed to the Board and the Audit Committee on 27 February 2017. He was then appointed as Chairman of Remuneration and member of Nominating Committee on 4 September 2020. He graduated from Malay College Kuala Kangsar, Perak obtaining Federation of Malaya Certificate of Education Grade III. He was appointed as Registrar of Session Court, Penang in 1980 and subsquently in year 1994 he was appointed as Senior Registrar of Subordinate Courts, Penang until his retirement in July 1996.

In July 2016, he was appointed as Yang Teramat Mulia Raja Kecil Tengah Perak by His Royal Highness Sultan Nazrin Muizzuddin Shah Ibni Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, Sultan of Perak on the advice of Majlis Mesyuarat Dewan Negara Perak. He was conferred the Title of Dato' Seri by His Royal Highness Sultan of Perak in August 2016.

PROFILE OF DIRECTORS (CONT'D)

DATUK TAN HIANG JOO
Malaysian | Aged 57 | Male
Senior Independent Non-Executive Director
Member, Audit Committee
Member, Remuneration Committee
Chairman, Nominating Committee

He was appointed to the Board on 3 October 2014. He was then appointed as a member of the Audit Committee and Nominating Committee on 24 November 2014 and a member of the Remuneration Committee on 30 November 2016. Subsequently, he was redesignated as Chairman of the Nominating Committee on 2 October 2018. On 4 October 2019, he was appointed as the Senior Independent Non-Executive Director of the Company.

He holds a law degree LLB (Hons) from University of Malaya and is an Advocate and Solicitor in the High Court of Malaya. He has been in practice since 1989 and is a partner of Syarikat Ng & Anuar. He was a Penang Municipal Councilor from 1998 to 1999. He is the Deputy President of Penang Chinese Chamber of Commerce. He is also a member of the Board of Governors of Han Chiang University College, Han Chiang Secondary and Primary Schools.

He is also an Independent Non-Executive Director of Eupe Corporation Berhad which is listed on Bursa Malaysia Securities Berhad.

ALLEN CHEE WAI HONG
Malaysian | Aged 47 | Male
Independent Non-Executive Director
Chairman, Audit Committee
Member, Remuneration Committee
Member, Nominating Committee

He was appointed to the Board and the Audit Committee on 20 April 2012. He was also appointed as a member of the Remunertion Committee and Nominating Committee on even date. He was then appointed as Chairman of the Audit Committee on 24 November 2014.

He holds an LLB Honours Degree from University of London, United Kingdom and a Master Degree in Business Administration from University Utara Malaysia. He is a qualified Advocate and Solicitor in the High Court of Malaya and is a member of the Malaysian Bar. He is also a Fellow Member of the Association of Chartered Certified Accoutants, United Kingdom and a Member of the Malaysian Institute of Accountants.

He has helmed the position of Executive Director of a Main Market listed company in Malaysia for 12 years where he was involved in the area of corporate finance. He is currently the managing partner of Allen Chee Ram.

YOW YAN SEONG
Malaysian | Aged 54 | Male
Independent Non-Executive Director

He was appointed to the Board on 4 September 2020.

He holds a diploma in Japanese Language from Toshin Japanese Language School, Japan. He is a Managing Director in Grand Eight Property Sdn. Bhd. and has vast experience in properties development industry. He has also been a Director of several private limited companies involved property development.

SENIOR MANAGEMENT TEAM

KOAY SHEAN LOONG
Malaysian | Aged 26 | Male
General Manager – Leasing, Sales and Marketing

He joined SEAL Group under Sales & Marketing division since 2018 and appointed as General Manager – Leasing, Sales & Marketing Division on 7 October 2020.

He graduated with Bachelor Degree of Finance & Marketing, from Curtin University, Perth, Australia. He has extensive experiences in Sales & Marketing and Property Investment. Prior to joining SEAL Group, he was with a privatise company as a director leading the property investment and marketing segment.

He is the son of Dato' Sri Koay Teng Choon, who is the Executive Director and major shareholder of the Company.

TEH GUAT CHENG
Malaysian | Aged 45 | Female
General Manager – Finance and Accounts Division

She joined SEAL Group as an Accountant in year 2005 and she is now the General Manager for Finance and Accounts division of the Group.

She graduated with a Certificate in Business Studies – London Chamber of Commerce and Industry International Qualification, UK from Institute Perkim-Goon, Malaysia.

She has more than twenty one (21) years of experience in professional accountancy, auditing, taxation, management and planning. Prior to joining SEAL Group, she started her career in auditing with Kiat & Associates and continued on with Khoo Choon Keat & Associates.

TEOH CHIEW BENG
Malaysian | Aged 50 | Male
Assistant General Manager – Construction Division

He joined SEAL Group as Contract Manager on 20 September 2010 and he is now as Assistant General Manager for Construction division of the Group.

He graduated with Diploma in Tech. (Building) from Tunku Abdul Rahman College, Malaysia.

He has more than twenty one (21) years of experience in Construction industry. Prior to joining SEAL Group, he was attached to various established construction and property development companies, namely Dekon Sdn. Bhd., Ideal Capital Intelligence Sdn. Bhd. and Teh Kee Sing Engineering Sdn. Bhd..

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Seal Incorporated Berhad acknowledges the importance of good corporate governance for long-term sustainable business growth and is committed to ensure the highest standards of corporate governance are practiced throughout Seal Incorporated Berhad and its subsidiaries ("Group").

The Board is committed in applying the highest standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to safeguard shareholders' investment and to protect the interests of stakeholders.

This Corporate Governance Overview Statement takes guidance from the key Corporate Governance ("CG") principles as set out in the Malaysian Code on Corporate Governance (the "Code" or "MCCG") and in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR"). This statement is to be read in conjunction with the CG Report which is available at the Company's website at www.sib.com.my or Bursa Malaysia's website. The Group will continue its efforts to evaluate its governance practices in response to the evolving best practices and the changing requirements. The Board is pleased to present this report on how the Company and the Group have applied the principles as set out in the MCCG during the financial year, except for the following practices, which in the opinion of the Directors, adequately suit the circumstances:

- Practice 4.1 (At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors)
- Practice 4.5 (The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors);
- Practice 7.2 (The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000);

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principal Responsibilities of the Board

The Group recognises the pivotal role played by the Board in the stewardship of its direction, operation and ultimately enhancement of long-term shareholders' value. Hence, the Board is primarily responsible for the overall governance of the Group with an active role in setting, leading the long-term direction, corporate strategy of the Group, crucial business issues such as principal risks, systems for internal control and compliance with relevant laws and regulations. The Board also monitors the decision and actions of the Executive Directors and the performance of the Group to gain assurance that progress is being made towards the corporate purpose within the limits imposed throughout the Group's governance assurance framework.

Board Charter

The Board has formalised and adopted a Board Charter as a source of reference and induction literature as well as an insight for existing and prospective Board members to assist the Board in the performance of their fiduciary duties. The Board Charter outlined the composition, roles, responsibilities, and the Board's processes. The Board Charter is available for reference on the Group's website at www.sib.com.my.

The Board reviews the Board Charter as and when required to keep up to date with changes in the MMLR of Bursa Malaysia Securities Berhad, other regulation and best practices and ensure its effectiveness and relevance to the Board's objective and make necessary amendments to ensure that it is in line with the needs of the Company and comply with the regulations.

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which are made available on the Company's website:

- Code of Conduct
- Whistleblowing Policy
- Sustainability Policy
- Anti-Bribery and Corruption Policy (approved and adopted on 6 October 2020)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition and Independence

The Board comprises seven (7) members which consist of three (3) Executive Directors, one (1) Non-Independent Director and three (3) Independent Non-Executive Directors. The Board has complied with the MMLR by having 1/3 of the Board consisting of Independent Directors and balanced composition of Executive and Non-Executive directors to ensure that no individual or small group of individuals could dominate the Board's decision making. The Independent Directors play a crucial role in the exercise of independent assessment and objective participation in Board deliberations and decision-making process. Hence, they do not participate and are not involved in any other relationships with the Company which could materially interfere with the exercise of their independent judgements.

The Board believes that balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties objectively.

The Board has taken note of Principle 4.2 of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. However, the Company does not have term limits policy for independent directors but the Nominating Committee ("NC") annually assesses the independence of the Directors based on the criteria stipulated in Paragraph 1.01 of the Listing Requirements. Thus, the Board must justify and seek annual Shareholders' approval in the event it retains the director as an Independent Director beyond nine (9) years. If the Board wishes to retain the Independent Director after the 12th year, the Board shall seek Shareholders' approval through a two-tier voting process.

The Board comprises members from diverse backgrounds ranging from accounting, finance, legal, property sector and public service that add value to the Board as a whole. The combination of different experience and skills provide an insight into diversity and perspective as guidance for the Group in an increasing competitive business environment. The Board through the Nominating Committee conducts an annual review of its size and composition from time to time to ensure its effectiveness and to determine if the Board has the right size and sufficient diversity with their ability to discharge their duties to achieve the Group's objectives and strategic goal.

Gender Diversity Policy

The Board has no immediate plan to implement a gender diversity policy or target as the Board views that any new appointment shall be based on the candidate's area of expertise, skills, educational background, gender, ethnicity as well as other factors that might provide a broader range of viewpoints and perspective**.**

Foster Commitment

Paragraph 15.06 of MMLR provides that directors of listed company may not hold more than five (5) directorships in listed companies to ensure that they have sufficient time to discharge their duties and responsibilities. None of the Board members serve in more than five (5) listed companies.

Roles and Responsibilities of the Board

Pursuant to Practice 1.3 of MCCG, the positions of Chairman and Chief Executive Officer should be held by different individuals. The Board supports the principle that the positions of Chairman and Chief Executive Officer ("CEO") should be held by different individuals for the effective functioning of the Board and facilitates a good check and balance mechanism. However, the Company does not have a CEO but have two other Executive Directors beside the Executive Chairman who manages the business and operations of the Company and ensures the implementation of the Group policies and strategic plans.

The Nominating Committee has assessed, reviewed and determined that the Chairmanship of Tuan Haji Abdul Hamid Bin Mohd Hassan shall remain based on the following justifications/aspects contributed by Tuan Haji Abdul Hamid Bin Mohd Hassan as Chairman of the Board:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Roles and Responsibilities of the Board (cont'd)

- he has vast experience in the corporate field and extensive experience in the taxation field that enables him to provide the Board with the experience and real-life scenario to better manage and run the Group;
- he has exercised due care in the interest of the Group and Shareholders during his tenure as an Executive Chairman of the Group; and
- he has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board.

Although the Board does not comprise a majority of Independent Directors, the composition of Independent Directors does not participate in the day-to-day management of the Group. Therefore, they are able to provide impartial view and advice and can bring an independent judgement to bear and monitor the performance of management thus is sufficient to provide the necessary checks and balances in the Board.

Generally, the Chairman is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board, ensuring the Board carries out its responsibilities in the best interest of the Group and that all key issues are disclosed in a timely manner whilst the Executive Directors are responsible for the day-to-day management of the Group's business which includes decision-making on operation matters and implementation of the policies, strategic plans and decisions approved by the Board while the Non-Executive Directors contribute their knowledge and experience in business strategic plans.

The Independent Non-Executive Directors contribute to the formulation of policies and decision making of the Group by providing independent judgment, experience and objectivity without being subordinated to operational considerations. They bring the caliber necessary to carry sufficient weight in the Board's decisions, to ensure the interests of all stakeholders are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

Board Meetings

The Board meets five (5) times a year on a scheduled basis with additional meetings convened as and when it is necessary. The meetings are scheduled in advance annually to enable the Directors to plan accordingly so that the Board meetings could meet their schedules.

A total of five (5) Board Meetings were held during the financial year. All Directors have fulfilled the MMLR in relation to their attendance at Board Meetings.

Details of attendance of Directors at the Board Meetings are as follows:

Name of Directors	Number of Meetings Attended
Tuan Haji Abdul Hamid Bin Mohd Hassan	5 out of 5
Dato' Sri Koay Teng Choon	5 out of 5
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	4 out of 5
Datuk Tan Hiang Joo	5 out of 5
Allen Chee Wai Hong	4 out of 5
Yow Yan Seong (Appointed on 4 September 2020)	N/A
Fang Perk Kok (Resigned on 4 September 2020)	5 out of 5
Fang Siew Hong (Resigned on 30 September 2020)	5 out of 5

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Access to Information and Advice

The Board has the full and unrestricted access to timely and accurate information of the Group. The agenda and board papers are circulated to the Board members at least five (5) days prior to the Board meeting to allow the directors to review, consider and deliberate knowledgeably on the issues and when necessary, to obtain further information, explanation and clarification on the matter to be discussed to facilitate informed decision making. The Directors have unrestricted access to the advice and services of the Company Secretary and senior management. The Board may also seek independent professional advice at the Group's expense, if required, in furtherance of their duties.

Company Secretary

The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and competent on new statutory and regulatory requirements.

The Company Secretary plays the following roles and responsibilities:

- attends and ensure all Board and Board Committee meeting are properly convened and ensure that deliberations at Board and Board Committee meetings are well recorded and minuted;
- provides support to the Chairman to ensure the effective functioning of the Board and assists the Chairman in preparation of conduct of meetings;
- update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- ensure proper upkeep of statutory registers and records of the Company; and
- advise the Board on compliance of statutory and regulatory requirements.

Recruitment or Appointment of Directors

In discharging its responsibilities, the Nominating Committee considered, inter alia, skills, knowledge, expertise and experience, professionalism, sound judgement, diversity of gender, commitment (including time commitment), caliber, integrity and credibility. The Group practices a clear and transparent nomination process which involves the following stages:

- identification of candidates
- evaluation of suitability of candidates
- meeting up the candidates
- final deliberation by the Nominating Committee

The Committee will then recommend the candidates for approval and appointment by the Board. The Company Secretaries will ensure that all appointments are properly made and that legal and regulatory obligations are met.

Re-Appointment and Re-Election of Directors

In accordance with the Company's Constitution, at least one-third (1/3) or the number nearest to one-third (1/3) of the Board are subject to retirement at each Annual General Meeting. The retiring director is eligible for re-election. All newly appointed directors will be subject to retirement at the next Annual General Meeting after his appointment and is eligible for re-election. All other directors shall retire from office at least once in every three (3) years and is eligible for re-election. The re-election of each Director is voted on separately.

The Directors who are due for re-election or re-appointment at the Annual General Meeting are assessed by the Nominating Committee and be recommended to the Board for endorsement to seek shareholders' approval for the re-election or re-appointment.

At the forthcoming Annual General Meeting, Datuk Tan Hiang Joo and Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid will be retiring by rotation in accordance with Article 101 of the Constitution and they will be standing for re-election. The Nominating Committee has on its meeting held on 26 August 2020 evaluated their performance and recommended their re-election.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training

The Board will assess the training needs of the Directors and ensure the Directors have access to the continuing education programmes. The Directors will undergo relevant training programmes, seminars or conferences from time to time and as when it is necessary to update themselves with the relevant knowledge and skills to discharge their duties effectively.

All Directors receive updates from time to time, on relevant laws and regulations to enhance their business acumen and skills to meet the changing commercial challenges. The Directors have participated in conferences, seminars and training programmes and during the financial year ended 30 June 2020, the following training programmes and seminars were attended by the Directors:

a) Section 117 Capital Reduction;
b) 2020 Tax Budget seminar;
c) IFRS Masterclass 2019;
d) Managing & Improving Tax Compliance & Practical Aspects of Property Developers & Contractors;
e) Seminar Pemahaman Undang-Undang Perumahan Strata;
f) Common Pitfalls In Transaction & RPT Rules; and
g) Corporate Governance: New Perspectives & Developments for Board of Directors & Secretaries.

Committees Established by the Board

The Board is assisted by the following Sub-Committees in the discharge of its duties and responsibilities:

- Audit Committee
- Nominating Committee
- Remuneration Committee
- Executive Committee

Audit Committee

The Audit Committee was formed on 13 July 1994 and comprises exclusively of Independent Non-Executive Directors.

A full report of the Audit Committee with details of its membership and a summary of the work performed during the financial year are set out in the Audit Committee report of this Annual Report.

Nominating Committee

The Nominating Committee was formed on 22 August 2002 and is tasked to oversee the effectiveness of Directors' selection process and appropriate structure for management development as well as to assess the performance of the Directors and Board Committees. The Nominating Committee plays its role as set out in the Terms of Reference which is available for reference on the Company's website at www.sib.com.my.

The members of the Nominating Committee comprise exclusively of Non-Executive Directors. The members are as follows:

Members	
Datuk Tan Hiang Joo	Chairman, Senior Independent Non-Executive Director
Allen Chee Wai Hong	Member, Independent Non-Executive Director
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	Member, Independent Non-Executive Director *(Appointed on 4 September 2020)*
Fang Perk Kok	Member, Non-Independent Non-Executive Director *(Resigned on 4 September 2020)*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (cont'd)

The activities of the Nominating Committee during the financial year are as follows:

- reviewed the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with the terms of reference;
- reviewed the performance of the Nominating Committee and the Remuneration Committee;
- reviewed the performance of the Directors retiring at the next Annual General Meeting of the Company;
- assessed the independence of the Independent Directors; and
- reviewed the annual assessment of the effectiveness of the Board, Committees and Individual Directors with the following criteria used:

<u>Board of Directors</u>
i) Board roles and responsibilities
ii) The Board and the Company Senior Management
iii) Board Meetings and Facilities
iv) Board Composition
v) Board Committees

<u>Nominating Committee</u>
i) Terms of Reference
ii) Meeting Administration
iii) Meeting Conduct
iv) Board Communication

<u>Remuneration Committee</u>
i) Terms of Reference
ii) Meeting Administration
iii) Meeting Conduct
iv) Board Communication

<u>Audit Committee</u>
i) Committee and Governance Structure
   - Terms of Reference
   - Skills and Competencies
   - Meeting Administration
   - Meeting Conduct
   - Board Communication

ii) Area of Focus
   - Management
   - Internal Audit
   - External Audit

<u>Individual Director</u>
i) Contribution to interaction
ii) Quality of Skills
iii) Understanding of role
iv) Other attributes

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nominating Committee (cont'd)

The Nominating Committee upon its assessment carried out was satisfied that:

- the Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined in the MMLR;
- the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as none of them hold more than 5 directorships in public listed companies; and
- the results of the self-assessment by Directors and Board's effectiveness as a whole indicated that the performance of the Board, the Board Committees and the individual Directors during the eview period had been good and therefore, they had been effective in their overall discharge of functions and duties.

Remuneration Committee

The Remuneration Committee is responsible inter alia recommending to the Board the remuneration framework for directors and senior management. The remuneration package will be structured according to the skills, experience and performance of Executive Directors so as to attract and retain the Directors to manage the Group successfully. The remuneration package of Non-Executive Directors is based on their experience and level of responsibilities which is determined collectively by the Board. Individual Directors did not participate in the decision concerning their individual remuneration.

The Remuneration Committee comprised the following members:

Members	
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	Chairman, Independent Non-Executive Director *(Appointed on 4 September 2020)*
Dato' Sri Koay Teng Choon	Executive Director
Datuk Tan Hiang Joo	Senior Independent Non-Executive Director
Allen Chee Wai Hong	Independent Non-Executive Director
Fang Siew Hong	Executive Director *(Relinquished on 4 September 2020 and Resigned on 30 September 2020)*
Fang Pern Kok	Chairman, Non-Independent Non-Executive Director *(Resigned on 4 September 2020)*

The Remuneration Committee assessed the appropriateness of Directors' and senior management's remuneration on an annual basis, based on overall employment market conditions and the capacity of the Company's financial standing.

The Board has established a Remuneration Policy which facilitates the Remuneration Committee to review, consider and recommend to the Board for decision on the remuneration packages of the Executive Directors. The terms of reference of Remuneration Policy is available at the Company's website at www.sib.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their level of responsibilities, experience and contribution to the Group performance. For the Non-Executive Directors, the level of remuneration reflects the expertise, experience, skills and level of responsibilities undertaken by them.

The details of the Directors and Senior Management remuneration for the financial year ended 30 June 2020 are as follows:-

Group	Executive Directors RM	Non-Executive Directors RM	Total RM
Fee	-	192,000	192,000
Salaries & EPF	770,880	-	770,880
Bonus	58,000	-	58,000
SOCSO and EIS	2,441	-	2,441
Benefits-in-kind	46,638	-	46,638
Total	877,959	192,000	1,069,959

Company	Executive Directors RM	Non-Executive Directors RM	Total RM
Fee	-	192,000	192,000
Salaries & EPF	650,880	-	650,880
Bonus	48,000	-	48,000
SOCSO and EIS	1,847	-	1,847
Total	700,727	192,000	892,727

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Executive Directors' Remuneration

Group & Company

	Tuan Haji Abdul Hamid Bin Mohd Hassan				
RM	Salary & EPF	Bonus	SOCSO & EIS	Fee	Benefits-in-Kind
Below 50,000	-	√	√	-	√
100,001 - 150,000	√	-	-	-	-
500,001 - 550,000	-	-	-	-	-

	Fang Siew Hong				
RM	Salary & EPF	Bonus	SOCSO & EIS	Fee	Benefits-in-Kind
Below 50,000	-	√	√	-	√
100,001 - 150,000	-	-	-	-	-
500,001 - 550,000	√	-	-	-	-

	Dato' Sri Koay Teng Choon				
RM	Salary & EPF	Bonus	SOCSO & EIS	Fee	Benefits-in-Kind
Below 50,000	-	√	√	-	-
100,001 - 150,000	√	-	-	-	-
500,001 - 550,000	-	-	-	-	-

Executive Directors' Remuneration

Group & Company

	Fang Pern Kok *(Resigned on 4 September 2020)*		Datuk Tan Hiang Joo		Allen Chee Wai Hong		Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran & Raja Zaid	
RM	Fee	Allowance	Fee	Allowance	Fee	Allowance	Fee	Allowance
Below 50,000	√	-	√	-	√	-	√	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Senior Management Remuneration

	Number of Senior Management				
RM	Salary & EPF	Allowances	SOCSO & EIS	Bonus and Incentive	Benefits-in-Kind
Below RM50,000	-	4	4	4	4
RM100,001 - RM150,000	2	-	-	-	-
RM250,001 - RM300,000	2	-	-	-	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management and Internal Control Framework

The Board recognizes its overall responsibility for the Group's internal control systems, reviewing the adequacy of those systems. In view of the limitations that are inherent in any systems of internal control, the said systems have been designed to manage risk within a tolerable level rather than eliminate the risk of failure to achieve business objectives. Hence, such systems by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the internal control guide.

The Statement on Risk Management and Internal Control which provides an overview of the internal controls within the Group is set out in this Annual Report.

Audit Committee

The Board is assisted by the Audit Committee in overseeing the Group's financial reporting, risk management and internal control system. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Board, through the Audit Committee, has maintained a formal and transparent relationship with the external auditors in seeking professional advice towards the compliance with accounting standards. The Audit Committee meets up with the external auditors to discuss the audit planning memorandum and their audit findings.

The Audit Committee has obtained annual written assurance of independence from the external auditors after audit. The external auditors have implemented a number of firm wide ethics and independence systems to maintain objectivity, to be free from conflict of interests when discharging their professional responsibilities and monitor compliance with their firm's policies in relation to independence and ethics. Moreover, the external auditors have their firm's audit engagement partner rotation policy of seven (7) years.

The Audit Committee has reviewed and assessed with management, the performance, suitability and independence of the external auditors and the level of independence of the level of non-audit services rendered by them.

Being satisfied with the external auditors' performance, technical competency and audit independence, the Audit Committee recommended to the Board for their re-appointment. The Board has approved the Audit Committee's recommendation for shareholders' approval to be sought at the forthcoming Annual General Meeting on the re-appointment of the external auditors for the ensuing year.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Assessment of Suitability and Independence of External Auditors (cont'd)

A statement by the Directors on their responsibilities in preparing the financial statements is set out in this Annual Report.

Relationship with Auditors

The Board has established a formal and transparent arrangement to meet the external auditors' professional requirements. The external auditors have continued to highlight to the Audit Committee and Board of Directors matters that require the Board's attention. The Audit Committee will have a private session with the external auditors without the presence of any executive of the Group at least twice a year. Liaison and unrestricted communication exist between the Audit Committee and the external auditors. The external auditors are invited to attend the Company's Annual General Meeting.

PRINCIPLE C: INTEGRITY IN CORPROATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group recognises the importance of effectiveness and clear communication between the shareholders, potential investor and the public. The Group practices the highest standard of transparency and accountability in its communication and disclosure of information pertinent to the Group. This includes timely announcements and disclosure made to Bursa Securities during the year. The announcements and disclosure include release of quarterly financial results and circulars to shareholders. The regularly updated information pertinent to the Group can be obtained from the Company's website at www.sib.com.my. The Group's website provides an avenue for the latest information dissemination to the shareholders and public, with dedicated sections on corporate information and investors' relations including financial information, announcements, financial highlights and corporate governance.

Conduct of General Meetings

The Annual General Meeting ("AGM") remain as the principal forum for dialogue and communication with shareholders. The shareholders are encouraged to attend each AGM. In line with good Corporate Governance practice, the notice of meetings is sent to the shareholders at least 28 days before the meeting.

The Board views the AGM as an ideal opportunity to communicate with shareholders. During the AGM, shareholders are given the opportunity to enquire and comment on matters relating to the Group's business in addition to the Company's Audited Financial Statements. The Board members, senior management and the Group's external auditors and relevant advisers are available to respond to shareholders' queries.

Poll Voting

In line with the Main Market listing Requirements of Bursa Malaysia Securities Berhad, poll voting shall be conducted for all resolutions as set out in the notice of Annual General Meeting.

This CG Overview Statement was approved by the Board of Directors of Seal Incorporated Berhad on 12 October 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound system of internal controls and risk management to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors of Seal Incorporated Berhad is pleased to present the Statement on Risk Management and Internal Control ("the Statement") which is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of this Statement for inclusion in the Annual Report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT

The Board and the management practice proactive significant risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and assess the appropriate risk response strategies and controls.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional services firm, BDO Governance Advisory Sdn. Bhd. as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan is in place to address the risks and concerns identified. On a half yearly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement.

On a half year basis, the internal auditors report to the Audit Committee on internal audit findings and recommend remedial action plans for possible improvement for the audited areas. The highlighted internal audit findings are followed-up by the internal auditors as well to ensure the control weaknesses, if any, are properly identified and addressed by the management.

A total of 2 internal control reviews were conducted by BDO Governance Advisory Sdn. Bhd. for the financial year of 30 June 2020. The details of the said review can be delineated as follows:-

Internal Audit Visits	Audit Period	Audited Areas
First Visit in March 2020	September 2019 - February 2020	● Procure to Pay
Second Visit in July 2020	January 2020 - June 2020	● Management of Information System ● Post-Project Management

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement for inclusion in the 2020 Annual Report. This Statement is reviewed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

CONCLUSION

The Board has received assurance from Executive Directors that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this Statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 30 June 2020. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and risk management.

This Statement is issued in accordance with a resolution of the Board of Directors dated 12 October 2020.

AUDIT COMMITTEE REPORT

In compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR"), the Board of Directors ("the Board") of Seal Incorporated Berhad is pleased to present the Audit Committee Report for the financial year ended 30 June 2020.

During the financial year, the members of Audit Committee ("AC") had discharged their duties, responsibilities and functions in accordance with its Terms of Reference ("TOR"). The TOR is available at the Company's website at www.sib.com.my.

COMPOSITIONS AND MEETINGS

The AC comprises three members, all of whom are Independent Non-Executive Directors, which complies with Paragraph 15.09(1) of the MMLR. The Chairman of AC, Mr Allen Chee Wai Hong is a member of the Malaysia Institute of Accountants ("MIA") and is not the Chairman of the Board, which is in compliance with the Paragraph 15.09 (1)(c)(i) of the MMLR and Practice 8.1 of the Malaysia's Code on Corporate Governance ("the Code").

During the financial year ended 30 June 2020, there were five (5) audit committee meetings held and the details of the attendance of each member of the committee are tabulated below:

Name of Members	Number of Meetings Attended
Allen Chee Wai Hong Chairman, Independent Non-Executive Director	4 out of 5
Datuk Tan Hiang Joo Member, Senior Independent Non-Executive Director	5 out of 5
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid Member, Independent Non-Executive Director	4 out of 5

The detailed profiles of all the members of the AC are shown in the Board of Directors' profile.

SUMMARY OF WORKS OF THE AUDIT COMMITTEE

In line with the terms of reference, the AC had discharged its duties and responsibilities by carrying out the following works during the financial year under review:

(a) Financial Reporting

Reviewed the Group's quarterly results and annual audited financial statements of the Company and ensured the financial reporting and disclosure requirements had been complied with prior to recommending them to the Board of Directors for consideration, approval and public release focusing particularly on:

- changes in or implementation of major accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
- compliance with accounting standards and other legal requirements; and
- the going concern assumptions.

(b) Internal Audit

- reviewed and approved internal audit plan for the financial year 2020 including its scope, basis of assessments and risks ratings of the proposed areas of audit to assess the adequacy and effectiveness of internal control;
- reviewed the internal audit reports and audit recommendations made by the internal auditors and management's responses thereto. The internal auditors monitored the implementation of management action plan through follow-up audit to ensure all key risks and weaknesses were being addressed; and

SUMMARY OF WORKS OF THE AUDIT COMMITTEE (CONT'D)

(b) Internal Audit (cont'd)

- carried out an annual review of performance of the Internal Audit Function including assessment of their suitability and independence in performing their obligations by completing a formal evaluation form.

(c) External Audit

- reviewed and discussed with external auditors significant accounting and auditing issues and the resultant audited financial statements arising from the audit. The Audit Committee also had two private discussions with the external auditors without the presence of management and executive board members on 26 August 2019 and 24 June 2020, to deliberate on key areas and action necessary for the improvement of the Group arising from the audit review;
- reviewed the audit planning memorandum with the external auditors at the meeting held on 24 June 2020 on the scope of work and audit plan of the Group for the financial year ended 30 June 2020, proposed audit reporting schedule and new development on financial reporting standards applicable to the Group;
- reviewed the extent of assistance rendered by management in the course of audit; and
- reviewed the performance and effectiveness of external auditor including assessment of their suitability and independence in performing their obligations and made recommendation to the Board for approval of their re-appointment.

(d) Compliance

- reviewed and proposed for the adoption of Anti-Bribery and Anti-Corruption Policy in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 to ensure all business activities of the Group be conducted with integrity and high corporate governance within the Group;
- reviewed and recommended the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report; and
- presented the Audit Committee Report to the Board for approval and inclusion in the Annual Report.

PERFORMANCE OF AUDIT COMMITTEE

The AC reviewed and accessed its own performance on annual basis through self-evaluation and the assessment results would be tabled to the Nomination Committee for review. During the financial year ended 30 June 2020, the Board is satisfied that the AC had discharged its responsibilities and duties in accordance with the TOR.

INTERNAL AUDIT FUNCTION

The Company outsourced the internal audit function to a professional services firm, which has adequate resources and appropriate standing to undertake the audit work independently and objectively to assist the Board in obtaining the assurance concerning adequacy and effectiveness of the system of internal control, risk management and governance framework of the Group. The internal auditor undertakes internal audit function based on the audit plan approved by the Audit Committee. The internal auditor reports directly to the Audit Committee and the costs incurred for the internal audit function for the financial year were RM24,000.

During the financial year, to ensure the compliance with established policies, procedures and statutory requirements, the internal auditors have reviewed and assessed the adequacy, integrity and effectiveness of the system of internal control of the Group, reported the findings of assessment and recommended improvements where necessary and performed follow-up audit on implementation of audit recommendations agreed by the management.

ADDITIONAL COMPLIANCE INFORMATION

Relationship / Conflict of Interest

Save as for Dato' Sri Koay Teng Choon and Koay Shean Loong, the son of Dato' Sri Koay Teng Choon who is the senior management of the Company, none of the other Directors or senior management has any family relationship with any Directors and/or major shareholders of Seal Incorporated Berhad.

None of the other Directors or senior management has any conflict of interest with the Group.

Offence

None of the Directors or senior management has been convicted of any offence, other than traffic offence, if any, within the past 5 years and of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to the external auditors for the financial year are as follow:

	Group RM	Company RM
Audit Fee	110,000	35,000
Non-Audit Fee	3,000	3,000

Status of Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year.

Material Contracts and Contracts to Loans

There are no material contracts or contracts relating to loans entered into by the Company and its subsidiaries involving the interest of the Directors and major shareholders which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Recurrent Related Party Transactions ("RRPT") of Revenue Nature

There was no RRPT during the financial year.

Employees' Share Options Scheme ("ESOS")

The Company had on 9 June 2010 and 15 July 2010 obtained an approval from Bursa Malaysia Securities Berhad and its shareholders respectively to establish an ESOS with duration of ten years from effective date i.e. 1 December 2010.

The ESOS would expired upon the ten years' tenure and all unvested share options shall be deemed to have been terminated and cancelled and be null and void.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR END 30 JUNE 2020

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **30 June 2020.**

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of property investment, building contractor, project manager for property development and extraction and sale of timber.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	16,161,158	4,068,142
Attributable to:		
Owners of the Company	16,069,941	4,068,142
Non-controlling interests	91,217	-
	16,161,158	4,068,142

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the effect arising from the fair value gain on investment properties as disclosed in Note 28 to the financial statements.

DIVIDENDS

No dividends have been declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market.

As at 30 June 2020, the Company held a total of 5,896,500 treasury shares out of its 242,952,684 issued ordinary shares. The treasury shares are held at a carrying amount of RM2,165,586 and further relevant details are disclosed in Note 19 to the financial statements.

EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

The Company had on 9 June 2010 and 15 July 2010 obtained approvals from Bursa Malaysia Securities Berhad and its shareholders respectively to establish an ESOS with duration of ten years from the effective date.

As at 30 June 2020, no option were grated.

The salient features of the ESOS are disclosed in Note 38 to the financial statements.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the company:

*** Tuan Haji Abdul Hamid Bin Mohd Hassan**
*** Dato' Sri Koay Teng Choon**
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid
Datuk Tan Hiang Joo
Chee Wai Hong
Yow Yan Seong (appointed on 4.9.20)
Fang Pern Kok (resigned on 4.9.20)
*** Fang Siew Hong (resigned on 30.9.20)**

Director of a subsidiary:

Nik Mohd Kamal Bin Nik Mahmud

* The directors are also directors of the Company's subsidiaries

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares			
	Balance at 1.7.19	**Bought**	**Sold**	**Balance at 30.6.20**
The Company				
Direct Interest:				
Dato' Sri Koay Teng Choon	35,444,200	-	-	35,444,200
Datuk Tan Hiang Joo	29,000	-	-	29,000
Fang Pern Kok	-	3,700,900	-	3,700,900

	Number of ordinary shares			
	Balance at 1.7.19	**Bought**	**Sold**	**Balance at 30.6.20**
Deemed Interest:				
1 Dato' Sri Koay Teng Choon	4,867,100	-	-	4,867,100
2 Fang Siew Hong	20,000,000	-	-	20,000,000
3 Fang Pern Kok	31,230,400	-	-	31,230,400

Note:
1 Deemed interest by virtue of shares held by immediate family members of the directors.
2 Deemed interest by virtue of shares held by a company in which the director has interest.
3 Deemed interest by virtue of shares held by immediate family members and a company in which the director has interest.

By virtue of his interest in shares in the Company, **Dato' Sri Koay Teng Choon** is also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

Other than the above, none of the other directors holding office at the end of the financial year had any interests in shares in the Company and its related corporations during the financial year.

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Group and of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	192,000	-	192,000
Salaries and bonus	624,000	130,000	754,000
Defined contribution plan	74,880	-	74,880
SOCSO and EIS	1,847	594	2,441
Benefits in-kind	-	46,638	46,638
	892,727	177,232	1,069,959

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a 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 those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage to or insurance premium paid for any of the directors and officers of the Group and the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

i) that would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, or

iv) that have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other persons, or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

In the opinion of the directors:

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

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

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 40 to the financial statements.

EVENT AFTER THE REPORTING PERIOD

The details of the event after the reporting period are disclosed in Note 41 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2020 are RM110,000 and RM35,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

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

....	....
Tuan Haji Abdul Hamid Bin Mohd Hassan	**Dato' Sri Koay Teng Choon**

Penang,

Date: 12 October 2020

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 48 to 120 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 **30 June 2020** and of their financial performance and cash flows for the financial year then ended.

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

....

Tuan Haji Abdul Hamid Bin Mohd Hassan **Dato' Sri Koay Teng Choon**

Date: 12 October 2020

STATUTORY DECLARATION

I, Tuan Haji Abdul Hamid Bin Mohd Hassan, the director primarily responsible for the financial management of **Seal Incorporated Berhad** do solemnly and sincerely declare that the financial statements set out on pages 48 to 120 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 in Penang, this **12th**)
day of **October 2020.**)

....

Tuan Haji Abdul Hamid Bin Mohd Hassan
(I/C No. 380616-02-5175)

Before me,

....

Liew Juan Leng (P162)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Seal Incorporated Berhad**, which comprise the statements of financial position as at **30 June 2020** of the Group and of the Company, and the statements of 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 accounting policies, as set out on pages 48 to 120.

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 **30 June 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. 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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
Fair value of investment properties *(Note 5 to the financial statements)* Investment properties of the Group are mainly consists of freehold land, freehold and leasehold shoplots, leasehold office lots, and leasehold building. We focused on this area as the determination of the fair value of the investment properties requires significant judgement due to the use of the estimates in the valuation techniques based on certain key assumptions	Our audit procedures in relation to the fair value of the investment properties included, among others, the following: • Considering the competency, capabilities and objectivity of the independent external valuers; • Reviewing the valuation reports prepared by the independent external valuers and understanding the methodology adopted by the independent external valuers in estimating the fair value of the investment properties; and • Having discussion with the independent external valuers to obtain an understanding of the key input data and key assumptions used by the independent external valuers.
Assessment of impairment of trade and other receivables *(Note 10 and 11 to the financial statements)* The Group has significant trade and other receivables as at 30 June 2020 which include certain amounts that are long outstanding and these are subject to credit risk exposure. We focus on these areas as the assessment of recoverability of receivable involved management judgement and estimation uncertainty in determining the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.	Our audit procedures in relation to management's impairment of trade and other receivables assessment included, among others, the following: • Obtaining an understanding of: - the Group's control over the customers' collection process; - the process of identifying and assessing impairment of trade and other receivables; and - the basis of how the Group makes the accounting estimates for impairment of trade and other receivables; • Evaluating techniques and methodology in the expected credit loss approach against the requirement of MFRS 9; • Reviewing the aging analysis of trade and other receivables and testing the reliability thereof; • Reviewing subsequent collections for major customers and overdue amounts; • Making inquiries of management regarding the action plans to recover overdue balances; and • Examining other evidence including customer correspondences.

Key audit matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition for construction contracts *(Note 26 to the financial statements)* The Group's revenue from construction contracts was recognised based on the percentage of completion ("POC") which was measured using the stage of completion by reference of survey of work performed. Such measurement involves management estimations in determining the stage of completion, physical proportion of the contract work extent of incurred to date and estimated total costs on the contracts, including variations to original contract terms and claims.	Our audit procedures in relation to the recognition of construction revenue included, among others, the following: • Checking the reasonableness of the estimated total costs on the contract by agreeing to approved budgets, letter of awards, contracts and variation orders, if any, with contractors; • Examining the actual costs incurred to date to the supporting evidences such as contractors' progress claims and architect certificates; • Corroborating the certified POC with the level of completion based on actual costs incurred to date over the estimated total costs on the contract; • Recomputing the revenue from construction contracts for the current financial year based on the input method.

There is no key audit matter to be communicated in the audit of the separate financial statements 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.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of 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.

- 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 the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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.

- 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.

- 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.

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 financial 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.

Other Matter

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.

Grant Thornton	**Loo Wei Teng**
No. AF: 0042	**No. 03487/03/2022 (J)**
Chartered Accountants	**Chartered Accountant**

Penang

Date: 12 October 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	GROUP 2020 RM	GROUP 2019 RM	COMPANY 2020 RM	COMPANY 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**1,255,915**	1,684,368	**31,917**	44,846
Investment properties	5	**116,177,820**	80,270,429	**880,000**	1,630,000
Right-of-use asset	6	**-**	-	**-**	-
Investment in subsidiaries	7	**-**	-	**110,068,832**	25,744,339
Timber concessions	8	**10,798,931**	10,798,931	**2,194,244**	2,194,244
Inventories	9	**95,016,670**	95,016,670	**17,599,245**	17,599,245
		223,249,336	187,770,398	**130,774,238**	47,212,674
Current assets					
Inventories	9	**28,461,088**	28,461,088	**-**	-
Trade receivables	10	**56,633,956**	88,705,961	**-**	-
Other receivables, deposits and prepayments	11	**97,073,203**	74,299,407	**151,472**	165,847
Amount due from subsidiaries	12	**-**	-	**148,171,423**	221,486,742
Contract assets	13	**4,532,717**	1,985,609	**-**	-
Contract costs	14	**761,211**	-	**-**	-
Current tax assets		**2,421,252**	604,949	**-**	-
Other investments	15	**18,445,748**	18,506,434	**3,800,000**	4,456,801
Deposits with licensed banks	16	**20,133,604**	20,999,488	**1,026,023**	-
Cash and bank balances		**5,258,443**	8,154,678	**1,619,679**	3,780,727
		233,721,222	241,717,614	**154,768,597**	229,890,117
Non-current asset held for sale	17	**705,000**	-	**705,000**	-
		234,426,222	241,717,614	**155,473,597**	229,890,117
TOTAL ASSETS		**457,675,558**	429,488,012	**286,247,835**	277,102,791
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	**142,629,537**	142,629,537	**142,629,537**	142,629,537
Treasury shares	19	**(2,165,586)**	(2,165,586)	**(2,165,586)**	(2,165,586)
Reserves	20	**352,940**	352,940	**352,940**	352,940
Retained profits	21	**161,922,455**	145,852,514	**137,219,943**	133,151,801
		302,739,346	286,669,405	**278,036,834**	273,968,692
Non-controlling interests		**6,019,574**	5,928,357	**-**	-
Total equity		**308,758,920**	292,597,762	**278,036,834**	273,968,692
Non-current liabilities					
Borrowings	22	**61,308,032**	45,098,222	**-**	-
Lease liability	6	**-**	-	**-**	-
Deferred tax liabilities	23	**1,993,127**	511,142	**10,374**	6,784
		63,301,159	45,609,364	**10,374**	6,784
Current liabilities					
Contract liabilities	13	**64,156**	-	**-**	-
Trade payables	24	**19,283,894**	21,189,210	**2,444**	2,444
Other payables and accruals	25	**34,943,859**	30,060,780	**811,629**	314,610
Amount due to subsidiaries	12	**-**	-	**7,004,349**	2,372,177
Borrowings	22	**30,680,393**	39,359,645	**-**	-
Lease liability	6	**-**	-	**-**	-
Current tax liabilities		**643,177**	671,251	**382,205**	438,084
		85,615,479	91,280,886	**8,200,627**	3,127,315
Total liabilities		**148,916,638**	136,890,250	**8,211,001**	3,134,099
TOTAL EQUITY AND LIABILITIES		**457,675,558**	429,488,012	**286,247,835**	277,102,791

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		GROUP		COMPANY	
	NOTE	**2020 RM**	2019 RM	**2020 RM**	2019 RM
Revenue	**26**	**38,575,797**	100,229,340	**13,600**	62,598,409
Direct operating costs	**27**	**(24,659,619)**	(76,929,304)	**-**	-
Gross profit		**13,916,178**	23,300,036	**13,600**	62,598,409
Other income	**28**	**27,490,539**	21,141,807	**7,876,825**	6,452,045
Administrative expenses		**(16,134,850)**	(15,056,617)	**(2,315,187)**	(2,441,676)
Operating profit		**25,271,867**	29,385,226	**5,575,238**	66,608,778
Finance costs		**(5,354,251)**	(1,343,466)	**(84,441)**	(483,536)
Profit before tax	**29**	**19,917,616**	28,041,760	**5,490,797**	66,125,242
Tax expense	**30**	**(3,756,458)**	(8,197,491)	**(1,422,655)**	(1,182,607)
Net profit, representing total comprehensive income for the financial year		**16,161,158**	19,844,269	**4,068,142**	64,942,635
Profit attributable to:					
Owners of the Company		**16,069,941**	19,801,442	**4,068,142**	64,942,635
Non-controlling interests		**91,217**	42,827	**-**	-
		16,161,158	19,844,269	**4,068,142**	64,942,635
Total comprehensive income attributable to:					
Owners of the Company		**16,069,941**	19,801,442	**4,068,142**	64,942,635
Non-controlling interests		**91,217**	42,827	**-**	-
		16,161,158	19,844,269	**4,068,142**	64,942,635
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	**31**	**6.78**	8.35		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	|-- Attributable to owners of the Company --|						
			Non-distributable	Distributable			
	Share Capital RM	Treasury Shares RM	Reserves RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2020							
Balance at 01.07.2019	**142,629,537**	**(2,165,586)**	**352,940**	**145,852,514**	**286,669,405**	**5,928,357**	**292,597,762**
Total comprehensive income for the financial year	**-**	**-**	**-**	**16,069,941**	**16,069,941**	**91,217**	**16,161,158**
Balance at 30.06.2020	**142,629,537**	**(2,165,586)**	**352,940**	**161,922,455**	**302,739,346**	**6,019,574**	**308,758,920**
2019							
Balance at 01.07.2018	142,629,537	(2,165,586)	352,940	126,051,072	266,867,963	5,885,530	272,753,493
Total comprehensive income for the financial year	-	-	-	19,801,442	19,801,442	42,827	19,844,269
Balance at 30.06.2019	142,629,537	(2,165,586)	352,940	145,852,514	286,669,405	5,928,357	292,597,762

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

			Non-distributable	distributable	
	Share Capital RM	**Treasury Shares RM**	**Reserves RM**	**Retained Profits RM**	**Total Equity RM**
2020					
Balance at 01-07-2019	**142,629,537**	**(2,165,586)**	**352,940**	**133,151,801**	**273,968,692**
Total comprehensive income for the financial year	**-**	**-**	**-**	**4,068,142**	**4,068,142**
Balance at 30-06-2020	**142,629,537**	**(2,165,586)**	**352,940**	**137,219,943**	**278,036,834**
2019					
Balance at 01-07-2018	142,629,537	(2,165,586)	352,940	68,209,166	209,026,057
Total comprehensive income for the financial year	-	-	-	64,942,635	64,942,635
Balance at 30-06-2019	142,629,537	(2,165,586)	352,940	133,151,801	273,968,692

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	NOTE	GROUP 2020 RM	GROUP 2019 RM	COMPANY 2020 RM	COMPANY 2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**19,917,616**	28,041,760	**5,490,797**	66,125,242
Adjustments for:					
Accretion of interest		**2,365,784**	-	**-**	-
Allowance for expected credit losses		**-**	84,684	**-**	-
Depreciation of property, plant and equipment		**450,778**	612,422	**12,929**	100,054
Depreciation of right-of-use asset		**7,635,029**	-	**-**	-
Dividend income from investment in quoted unit trusts		**(647,839)**	(924,871)	**(127,230)**	(198,107)
Dividend income from subsidiaries		**-**	-	**-**	(62,598,409)
Fair value (gain)/loss on investment properties, net		**(17,073,801)**	(1,014,131)	**45,000**	-
Gain on derecognition of right-of-use asset and lease liability		**(1,029,263)**	-	**-**	-
Gain on disposal of non-current asset held for sale		**-**	(12,966,937)	**-**	-
Gain on disposal of property, plant and equipment		**(15,499)**	-	**-**	-
Impairment loss on amount due from a subsidiary		**-**	-	**-**	400,444
Impairment loss on investment in a subsidiary		**-**	-	**156,996**	230,051
Interest expense		**2,988,467**	1,343,466	**84,441**	483,536
Interest income		**(783,421)**	(1,402,895)	**(5,903,425)**	(6,194,065)
Property, plant and equipment written off		**9,780**	13,020	**-**	2
Rent concessions		**(1,495,258)**	-	**-**	-
Reversal of allowance for expected credit losses		**(3,000)**	-	**(18,759)**	-
Reversal of impairment loss on investment in subsidiaries		**-**	-	**(1,743,489)**	-
Timber concession cost recognised		**-**	515,287	**-**	-
Operating profit/(loss) before working capital changes		**12,319,373**	14,301,805	**(2,002,740)**	(1,651,252)
Changes in:					
Inventories		**-**	(473,354)	**-**	(28,320)
Receivables		**9,301,209**	(29,309,983)	**14,375**	2,087
Payables		**2,699,584**	(923,615)	**497,019**	(27,567)
Contract assets		**(2,547,108)**	(8,020,566)	**-**	-
Contract costs		**(761,211)**			
Contract liabilities		**64,156**	-	**-**	-
Cash generated from/(used in) operations		**21,076,003**	(24,425,713)	**(1,491,346)**	(1,705,052)
Income tax paid		**(4,681,855)**	(7,360,048)	**(1,474,944)**	(853,023)
Income tax refunded		**563,005**	2,599,105	**-**	-
Interest received		**5,108**	370,326	**-**	-
Interest paid		**(2,710,288)**	(1,343,466)	**(39,178)**	(29,727)
Net cash from/(used in) operating activities		**14,251,973**	(30,159,796)	**(3,005,468)**	(2,587,802)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from investment in quoted unit trusts		**647,839**	924,871	**127,230**	198,107
Dividend received from subsidiaries		**-**	-	**-**	62,598,409
Interest received		**645,797**	1,005,284	**72,969**	256,292
Redemption of preference shares from investment in subsidiaries		**-**	-	**-**	14,600,000
Net change in subsidiaries' balances		**-**	-	**1,013,443**	(74,358,855)
Proceeds from disposal of non-current assets held for sale		**-**	20,952,000	**-**	-
Proceeds from disposal of property, plant and equipment		**15,500**	-	**-**	-
Purchase of investment properties		**(19,538,590)**	(24,488,478)	**-**	-
Proceeds from disposal of other investments		**17,359,942**	45,097,031	**656,801**	-
Purchase of other investments		**(17,299,256)**	(42,159,251)	**-**	(3,456,801)
Purchase of property, plant and equipment	A	**(32,106)**	(27,806)	**-**	-
Net cash (used in)/from investing activities		**(18,200,874)**	1,303,651	**1,870,443**	(162,848)

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

STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	NOTE	GROUP 2020 RM	GROUP 2019 RM	COMPANY 2020 RM	COMPANY 2019 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of commodity financing	C	**746,815**	9,068,815	**-**	-
Drawdown of term loans	C	**17,983,360**	23,201,100	**-**	-
Interest received		**132,516**	27,285	**-**	-
Repayment of domestic recourse factoring	C	**(10,934,303)**	(5,405,466)	**-**	-
Repayment of term loans	C	**(910,923)**	(1,119,665)	**-**	-
Repayment of finance lease liabilities	C	**(199,608)**	(278,421)	**-**	-
Repayment of lease liabilities	C	**(7,476,292)**	-	**-**	-
Placement of deposits with licensed banks		**(972,752)**	(1,609,067)	**-**	-
Withdrawal of deposits with licensed banks		**-**	664,438	**-**	-
Net cash (used in)/from financing activities		**(1,631,187)**	24,549,019	**-**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(5,580,088)**	(4,307,126)	**(1,135,025)**	(2,750,650)
CASH AND CASH EQUIVALENTS AT BEGINNING		**15,405,943**	19,713,069	**3,780,727**	6,531,377
CASH AND CASH EQUIVALENTS AT END	B	**9,825,855**	15,405,943	**2,645,702**	3,780,727

A. Purchase of property, plant and equipment

	NOTE	GROUP 2020 RM	GROUP 2019 RM	COMPANY 2020 RM	COMPANY 2019 RM
Total acquisition cost		**32,106**	137,806	**-**	-
Acquisition under finance lease liabilities	C	**-**	(110,000)	**-**	-
Total cash acquisition		**32,106**	27,806	**-**	-

B. Cash and cash equivalents

	GROUP 2020 RM	GROUP 2019 RM	COMPANY 2020 RM	COMPANY 2019 RM
Deposits with licensed banks	**20,133,604**	20,999,488	**1,026,023**	-
Cash and bank balances	**5,258,443**	8,154,678	**1,619,679**	3,780,727
Bank overdrafts	**(10,374,461)**	(9,529,244)	**-**	-
	15,017,586	19,624,922	**2,645,702**	3,780,727
Less: Deposits pledged with licensed banks	**(5,191,731)**	(4,218,979)	**-**	-
	9,825,855	15,405,943	**2,645,702**	3,780,727

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

STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

C. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Others RM	Balance at end RM
GROUP				
2020				
Borrowings excluding bank overdrafts	**74,928,623**	**6,685,341**	**-**	**81,613,964**
Lease liabilities	**53,445,206**	**(7,476,292)**	**(45,968,914)** [1]	**-**
Total liabilities arising from financing activities	**128,373,829**	**(790,951)**	**(45,968,914)**	**81,613,964**
2019				
Borrowings excluding bank overdrafts, representing total liabilities arising from financing activities	49,352,260	25,576,363	-	74,928,623

[1] Others consist of non-cash movement in lease liabilities as follows:

	2020 RM
Accretion of interest	**2,365,784**
Rent concessions	**(1,495,258)**
Derecognition	**(46,839,440)**
	(45,968,914)

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

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 55A Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak.

The principal place of business of the Company is located at Level 3A, ELIT Avenue Business Park, 1-3A-18 Jalan Mayang Pasir 3, 11950 Bayan Baru, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 October 2020.

Principal Activities

The principal activities of the Company consist of property investment, building contractor, project manager for property development and extraction and sale of timber.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of Measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.4 Adoption of New Standards/Amendments/Improvements to MFRS

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following standards that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2019
MFRS 16 Leases
Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation
Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015-2017 Cycle
IC Interpretation 23 Uncertainty over Income Tax Treatments

Initial application of the above standards did not have any material impact to the financial statements of the Group and of the Company except as mentioned below:

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have an impact for leases where the Group and the Company are the lessor.

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRS (cont'd)

The Group and the Company adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

The adoption of MFRS 16 as at 1 July 2019 resulted in the increase of the Group's assets and liabilities as follows:

Statement of Financial Position	GROUP RM
ASSETS	
Right-of-use asset	**53,445,206**
LIABILITIES	
Lease liability	**53,445,206**

The Group has lease contracts for premise and motor vehicles. Before the adoption of MFRS 16, the Group classified each of it leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRS (cont'd)

Leases previously accounted for as operating leases (cont'd)

The lease liability as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

Assets

Operating lease commitments as at 30 June 2019 (RM)	**8,223,921**
Effects of extension option	**54,576,929**
	62,800,850
Incremental borrowing rate as at 1 July 2019 (%)	**4.69**
Discounted operating lease commitments as at 1 July 2019, representing lease liability as at 1 July 2019 (RM)	**53,445,206**

Amendment to MFRS 16 Leases: Covid-19 – Related Rent Concessions

During the financial year, the Group has early adopted Amendment to MFRS 16 Leases: Covid-19 – Related Rent Concessions which is effective for annual periods beginning on or after 1 June 2020. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concession occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

The early adoption of Amendment to MFRS 16 Leases: Covid-19 – Related Rent Concessions had resulted rent concessions amounted to RM1,495,258 recognised in the profit or loss of the Group during the financial year.

2.5 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

Effective for annual periods beginning on or after 1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3 Business Combinations: Definition of a Business
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

Effective for annual periods beginning on or after 1 January 2021
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2

Effective for annual periods beginning on or after 1 January 2022
Amendments to MFRS 3 Business Combination: Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (cont'd)

Effective for annual periods beginning on or after 1 January 2023
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Effective date yet to be confirmed
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 12 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(i) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the ease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension options period as part of the lease term for lease of premises as it is reasonably certain that the extension options will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.1 Judgements made in applying accounting policies (cont'd)

(ii) Non-current asset held for sale

On 16 June 2020, the Company has entered into a Sale and Purchase Agreement to dispose of one of its investment properties, commercial shop lot for a cash consideration of RM705,000. Therefore, the investment property has been classified as non-current asset held for sale. The investment property is considered to meet the criteria as held for sale at that date for the following reasons:

- The carrying amount of the commercial shop lot will be recovered principally through sale transaction rather than through continuing use;
- Sale and Purchase Agreement has been signed and the management is committed to sell the commercial shop lot in its current condition; and
- The sale expected to be completed within one year from the date of the financial year ended.

2.6.2 Key sources of estimation uncertainty

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

(i) Provision for expected credit loss ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 35.3.1 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(ii) Construction contract revenue

As revenue from ongoing construction contracts are recognised over time,the amount of revenue recognised at the reporting date depends on the extent to which the perfomance obligation has been satisfied.This is done by determining the stage of completion.The stage of completion is determined by the proportion of the contract work completed on the contracts performed to date bear to the estimated total costs on the contracts.

Significant judgement is required in determining the stage of completion,the extent of the contract work completed on the contract incurred,the estimated total revenue and total costs and the recoverability of the contract costs. In making these judgement, management relies on past experience and, if necessary, the work of specialists.

(iii) Inventories

Inventory property is stated at the lower of cost and net realisable value("NRV").

NRV for completed inventory properties is assessed by reference to market conditions and prices existing as at the end of the reporting period and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical merket serving the same real estate segment.

NRV in respect of land held for property development is assessed with reference to market prices as at the end of reporting period for similar land, less estimated costs necessary to make the sale or where applicable,engaged independent valuers to estimate the fair value to these land.

NRV in respect of property development costs is assessed with reference to market prices as at the end of the reporting period for similar completed property, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

The carrying amount of the Group's and the Company's inventory properties as at the end of the reporting period is disclosed in Note 9 to the financial statements.

(iv) Fair value of investment properties

The Group and the Company measure their investment properties at fair value amount with changes in fair value being recognised in profit or loss. The Group and the Company engaged independent external valuers to determine fair values as at the end of reporting period.

The carrying amount of the investment properties as at the end of reporting period and the relevant fair value is disclosed in Note 5 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(v) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(vi) Impairment in investment in subsidiaries

Investment in subsidiaries is tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgment is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the investment in subsidiaries based on the fair value less cost to sell which approximates the extent of the net assets held by the subsidiaries at the end of the reporting period. If the recoverable amount of the investment in subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries. An impairment loss of **RM156,996** (2019: RM230,051) was recognised in profit or loss to write down a subsidiary to its recoverable amount.

An assessment is also made at each end of the reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A reversal of impairment loss in relation to certain subsidiaries which amounted to **RM1,743,489** (2019: RM Nil) was recognised in profit or loss.

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3. ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

(i) Subsidiaries (cont'd)

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution.

Upon disposal of investment in subsidiaries, the difference between the net disposal proceeds and their carrying amount is included in profit or loss.

(ii) Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an iimpairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance to Note 3.14 to the financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

(iii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

3. ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

(iii) Business combination (cont'd)

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iv) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an fair value through comprehensive income depending on the level of influence retained.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3. ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised profits arising on transactions between the Group and its associate which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interest in the associate. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

3.2 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Leasehold shoplot	Amortise over the lease period of 59 years
Plant and machinery	10% - 20%
Office equipment, furniture and fittings	10% - 20%
Motor vehicles	10% - 20%

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the disposed assets and are recognised in profit or loss in the financial year in which the assets are derecognised.

3.3 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise, including the corresponding tax effect.

3. ACCOUNTING POLICIES (CONT'D)

3.3 Investment Properties (cont'd)

Investment property under construction is stated at cost until the construction is complete or when its fair value becomes reliably determinable. Any gains or losses arising from the difference between the fair value of the investment property and its previous carrying amount is to be recognised in profit or loss.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 Leases

As described in Note 2.4 to the financial statements, the Group and the Company have applied MFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under MFRS 117 and IC Interpretation 4.

Accounting policies applied from 1 July 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

<u>As a lessee</u>

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use asset of premise is depreciated on a straight-line basis over the shorter of the lease term of 9 years and the estimated useful life of the assets.

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

(i) Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the lease liabilities are recognised and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short term leases and leases of low-value assets

The Group applies the short-term lease and leases of low-value assets recognition exemption to its leases of machinery and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option or the leased assets considered to be of low value). Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

<u>As a lessor</u>

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue and other income in the statements of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as other operating income in the period in which they are earned.

3. ACCOUNTING POLICIES (CONT'D)

3.4 Leases (cont'd)

(iii) Short term leases and leases of low-value assets (cont'd)

Accounting policies applied until 30 June 2019:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating lease

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3.5 Inventories

Inventories comprise land held for development, property development costs, and completed development properties held for sale.

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less any estimated costs necessary to make the sale.

3. ACCOUNTING POLICIES (CONT'D)

3.5 Inventories (cont'd)

3.5.1 Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.5.2 Property development costs

Property development costs comprise the cost of land, related development costs common to the project and direct building costs less cumulative amounts recognised as expense in the profit or loss. The inventory properties cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

3.5.3 Completed development properties

Completed development units represent completed commercial properties. Cost is determined on the specific identification basis and includes costs of acquisition of land, related development costs to the project and direct building costs.

3.6 Timber Concession

Timber concession is the cost of timber logs to be extracted and/or rights conferred for timber extraction and are stated at cost. Timber concession cost is charged to profit or loss based on the percentage of the volume of timber extracted compared to the total estimated volume of timber available for extraction.

3.7 Impairment of Non-Financial Assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU").

3. ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of Non-Financial Assets (cont'd)

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.8 Financial Instruments

3.8.1 Financial assets

(i) Initial recognition and measurement

Financial assets are measured at initial recognition at fair value and subsequently measured at amortised cost ("AC"), fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, at its transaction costs.

In order for a financial asset to be classified and measured at AC or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at AC are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

3. ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(i) Initial recognition and measurement (cont'd)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company do not have any financial assets at FVOCI as at the end of the reporting period.

Financial assets at amortised cost ("AC")

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost includes trade and other receivables, amount due from subsidiaries, deposits with licensed banks and cash and bank balances.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in statements of comprehensive income.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as other income in the statements of comprehensive income when the right of payment has been established.

The Group's financial assets at FVTPL includes investments in quoted unit trusts included under other investments.

3. ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

- the rights to receive cash flows from the asset have expired, or

- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(iv) Impairment

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

3. ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

(iv) Impairment (cont'd)

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group assesses impairment of trade receivables on a collective basis based on shared credit risk characteristics and presented by days past due.

3.8.2 Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiaries and borrowings.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

The Group and the Company do not have any financial liabilities at fair value through profit or loss as at the end of the reporting period.

Financial liabilities at amortised cost

After initial recognition, trade and other payables, amount due to subsidiaries and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of comprehensive income.

3. ACCOUNTING POLICIES (CONT'D)

3.8 Financial Instruments (cont'd)

3.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.8.4 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss if incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statements of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3.9 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted and net of fixed deposit pledged.

3.10 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.11 Revenue From Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

3. ACCOUNTING POLICIES (CONT'D)

3.11 Revenue From Contracts with Customers (cont'd)

The performance obligations to recognise revenue are as follows:

(i) Construction contract revenue

The Group had acted as a turnkey contractor under long-term contracts with customers. Such contracts are entered into before the turnkey development project begins. Under the terms of the contracts, the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue from turnkey agreement is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(ii) Sale of timber

Revenue from sale of timber is recognised at a point in time when control of the goods is transferred to the customer, generally on the delivery of the goods.

(iii) Provision of services

Revenue arising from provision of marketing services is recognised at a point in time upon the services rendered and completed. Revenue arising from property management services is recognised over the time as the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

(iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(v) Interest income

Interest income is recognised as it accrues using the effective interest rate method in profit or loss.

(vi) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

3.11.1 Contract balances

This refers to the closing balances of the trade receivables, contract assets and contract liabilities as at the end of the reporting period.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

3. ACCOUNTING POLICIES (CONT'D)

3.11 Revenue From Contracts with Customers (cont'd)

3.11.1 Contract balances (cont'd)

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. In the case of construction contracts, a contract asset is the excess of cumulative revenue earned over the billings to-date.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.11.2 Contract cost

Costs to fulfil a contract

The Group recognises a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relate. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contracts cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

3.12 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as and when incurred.

3. ACCOUNTING POLICIES (CONT'D)

3.12 Employee Benefits (cont'd)

Termination benefit

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably commited to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

3.13 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and undertakes activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3.14 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3. ACCOUNTING POLICIES (CONT'D)

3.14 Income Tax (cont'd)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.15 Goods and Services Tax ("GST") and Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of GST or SST except:

- where the GST or SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST or SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with GST or SST inclusive.

The net GST or SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The Malaysian Government has zero rated the GST effective from 1 June 2018. The GST has been replaced with SST which came into effect on 1 September 2018. The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

3.16 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.17 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or the contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.18 Non-current Asset Held for Sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

3. ACCOUNTING POLICIES (CONT'D)

3.18 Non-current Asset Held for Sale (cont'd)

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

3.19 Share Capital, Share Issuance Costs and Dividends

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

3.20 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3.21 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group.

3. ACCOUNTING POLICIES (CONT'D)

3.21 Related Parties (cont'd)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group.
(ii) One entity is an associate or joint venture of the other entity.
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
(vii) A person identified in (a) (i) above has significant influence over the Group or is a member of the key management personnel of the entity.
(viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the Group.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Leasehold shoplot RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2020					
At cost					
Balance at beginning	**347,614**	**91,740**	**1,372,961**	**2,738,768**	**4,551,083**
Additions	**-**	**-**	**32,106**	**-**	**32,106**
Disposal	**-**	**-**	**-**	**(100,000)**	**(100,000)**
Written off	**-**	**-**	**(28,905)**	**(283,764)**	**(312,669)**
Balance at end	**347,614**	**91,740**	**1,376,162**	**2,355,004**	**4,170,520**
Accumulated depreciation					
Balance at beginning	**47,016**	**91,738**	**864,487**	**1,863,474**	**2,866,715**
Current charge	**5,892**	**-**	**140,862**	**304,024**	**450,778**
Disposal	**-**	**-**	**-**	**(99,999)**	**(99,999)**
Written off	**-**	**-**	**(19,127)**	**(283,762)**	**(302,889)**
Balance at end	**52,908**	**91,738**	**986,222**	**1,783,737**	**2,914,605**
Carrying amount	**294,706**	**2**	**389,940**	**571,267**	**1,255,915**
2019					
At cost					
Balance at beginning	347,614	91,740	1,380,562	2,978,670	4,798,586
Additions	-	-	14,700	123,106	137,806
Written off	-	-	(22,301)	(363,008)	(385,309)
Balance at end	347,614	91,740	1,372,961	2,738,768	4,551,083
Accumulated depreciation					
Balance at beginning	41,124	6,999	719,072	1,859,387	2,626,582
Current charge	5,892	84,739	154,698	367,093	612,422
Written off	-	-	(9,283)	(363,006)	(372,289)
Balance at end	47,016	91,738	864,487	1,863,474	2,866,715
Carrying amount	300,598	2	508,474	875,294	1,684,368

COMPANY

	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2020				
At cost				
Balance at beginning/at end	**84,740**	**120,395**	**16,380**	**221,515**
Accumulated depreciation				
Balance at beginning	84,739	83,738	8,192	176,669
Current charge	-	9,653	3,276	12,929
Balance at end	**84,739**	**93,391**	**11,468**	**189,598**
Carrying amount	**1**	**27,004**	**4,912**	**31,917**
2019				
At cost				
Balance at beginning	84,740	120,395	379,388	584,523
Written off	-	-	(363,008)	(363,008)
Balance at end	84,740	120,395	16,380	221,515
Accumulated depreciation				
Balance at beginning	-	71,699	367,922	439,621
Current charge	84,739	12,039	3,276	100,054
Written off	-	-	(363,006)	(363,006)
Balance at end	84,739	83,738	8,192	176,669
Carrying amount	1	36,657	8,188	44,846

Group

(i) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 22 to the financial statements are **RM566,352** (2019: RM867,100).

(ii) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

	Carrying amount RM	Current depreciation RM
2020		
Leasehold shoplot	**294,706**	**5,892**
Motor vehicles	**566,352**	**300,748**

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Investment properties at fair value:				
Balance at beginning	**57,147,820**	54,767,820	**1,630,000**	1,630,000
Additions	**16,318,725**	1,365,869	**-**	-
Transfer from investment properties under construction at cost	**26,342,474**	-	**-**	-
Fair value gain/(loss) recognised in profit or loss	**17,073,801**	1,014,131	**(45,000)**	-
Reclassified to non-current asset held for sale	**(705,000)**	-	**(705,000)**	-
Balance at end	**116,177,820**	57,147,820	**880,000**	1,630,000
Investment properties under construction at cost:				
Balance at beginning	**23,122,609**	-	**-**	-
Additions	**3,219,865**	23,122,609	**-**	-
Transfer to investment properties at fair value	**(26,342,474)**	-	**-**	-
Balance at end	**-**	23,122,609	**-**	-
	116,177,820	80,270,429	**880,000**	1,630,000

The reconciliation of the fair value is shown above.

The investment properties consist of the following:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Freehold land	**320,000**	320,000	**320,000**	320,000
Freehold shoplots	**60,640,000**	56,790,000	**560,000**	1,310,000
Leasehold building	**37,820**	37,820	**-**	-
Leasehold office lots	**27,810,000**	-	**-**	-
Leasehold shoplots	**27,370,000**	-	**-**	-
Work-in-progress:				
Leasehold office lots	**-**	19,028,099	**-**	-
Leasehold shoplots	**-**	4,094,510	**-**	-
	-	23,122,609	**-**	-
	116,177,820	80,270,429	**880,000**	1,630,000

(i) The carrying amount of the Group's investment properties which are pledged to licensed bank as securities for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements is **RM86,990,000** (2019: RM54,932,609).

(ii) **Group and Company as lessor**

The Group and the Company have entered into operating leases on its investment properties. These leases have terms of between one to three years.

5. INVESTMENT PROPERTIES (CONT'D)

ii) Group and Company as lessor (cont'd)

The following are recognised in profit or loss in respect of investment properties:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Rental income	**2,757,677**	2,551,739	**13,600**	-
Direct operating expenses of investment properties:				
- income generating	**198,977**	151,442	**2,198**	-
- non-income generating	**46,261**	65,816	**2,816**	4,847

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Within one year	**2,189,199**	1,729,376	-	-
More than one year and less than five years	**1,586,035**	605,249	-	-
	3,775,234	2,334,625	-	-

(iii) Fair value measurement of the investment properties is disclosed in Note 36.1 to the financial statements.

(iv) On 5 August 2019, the Group has entered into Sales and Purchases Agreements with Dwitasik Sdn. Bhd. to acquire 20 units commercial shop lots for a consideration of RM16,318,725.

(v) On 2 April 2019, the Group has entered Sales and Purchases Agreements with Dwitasik Sdn. Bhd. to acquire 33 units commercial shop lots and 4 units commercial office lots for a consideration of RM26,342,474.

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY

Group as a lessee

The Group has a lease contract for premise used in its operations that has lease terms of 3 years with an option to renew for further 2 terms of 3 years each. The lease contract for premise has expired during the financial year and the Group does not intend to renew the lease contract.

In the previous financial year, payments on operating lease were charged to profit or loss.

The Group also has lease of a machinery with lease term of less than 12 months and certain leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use asset

Set out below are the carrying amounts of right-of-use asset recognised and the movements during the financial year:

GROUP	Premise
2020	**RM**
Balance at beginning, upon adoption of MFRS 16	**53,445,206**
Depreciation	**(7,635,029)**
Derecognition	**(45,810,177)**
Balance at end	**-**

6. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)

Lease liabilities

Set out below are the carrying amounts of lease liability and the movements during the financial year:

GROUP

	Total RM
2020	
Balance at beginning, upon adoption of MFRS 16	53,445,206
Accretion of interest	2,365,784
Payments	(7,476,292)
Rent concession*	(1,495,258)
Derecognition	(46,839,440)
Balance at end	-

The following are the amounts recognised in profit or loss:

	GROUP 2020 RM
Depreciation of right-of-use asset	7,635,029
Accretion of interest	2,365,784
Rent concession*	(1,495,258)
Gain on derecognition of right-of-use asset and lease liability	(1,029,263)
Expense relating to lease of low value assets	3,848
Total amount recognised in profit or loss	**7,480,140**

* Rent concession is in relation to the rental expenses waived by the landlord during the financial year.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2020 RM	2019 RM
Unquoted shares, at cost	27,167,329	27,167,329
Unquoted redeemable preference shares, at cost	99,308,000	16,570,000
	126,475,329	43,737,329
Less: Allowance for impairment		
Balance at beginning	(17,992,990)	(17,762,939)
Current year	(156,996)	(230,051)
Reversal	1,743,489	-
Balance at end	(16,406,497)	(17,992,990)
	110,068,832	25,744,339

7. INVESTMENT IN SUNSIDIARIES (CONT'D)

The details of the subsidiaries which are all incorporated in Malaysia are as follows:

Name of Subsidiaries	Effective Equity Interest 2020 %	2019 %	Principal Activities
Great Eastern Mills Berhad[1]	**78**	78	Dormant.
Sam Koh Company Sdn. Berhad ("SKCSB")	**100**	100	Extraction and sale of timber.However, the Company did not undertake any activity during the financial year.
Seal Ventures Sdn. Bhd. ("SVSB")	**100**	100	Property development.
Seal Trading Corporation Sdn. Bhd. ("STCSB")	**100**	100	Trading of timber.
Seal Properties (KL) Sdn. Bhd.	**100**	100	Turnkey, project and construction manager for property development.
SM Management Sdn. Bhd.	**100**	100	Providing administrative services.
Seal Land Sdn. Bhd.	**100**	100	Property development.
Seal Properties Sdn. Bhd.	**100**	100	Property investment and property development.
Seal Place Sdn. Bhd.	**100**	100	Letting of properties, advertisement billboard, car park and event space.
Seal City Sdn. Bhd. ("SCISB")	**100**	100	Property investment.
Seal Properties (SP) Sdn. Bhd.	**100**	100	Property development.
Ardentige Marketing Sdn. Bhd.	**100**	100	Provision of marketing services.
Utmost Construction Sdn. Bhd.	**100**	100	Construction of buildings and erections of every kind.
Seal Properties (PG) Sdn. Bhd.	**100**	100	Property development.
Seal Mall (KL) Sdn. Bhd.	**100**	100	Dormant.
Seal Management Sdn. Bhd.	**100**	100	Property management.

7. INVESTMENT IN SUNSIDIARIES (CONT'D)

Name of Subsidiaries	Effective Equity Interest 2020 %	2019 %	Principal Activities
Indirect - held through Seal Properties Sdn. Bhd.			
Seal Lifestyle Development Sdn. Bhd.	**100**	100	Property development.
Seal Concepts Sdn. Bhd. ("SCSB")(2)	**91**	91	Property development.
Seal Properties (Bayan City) Sdn. Bhd. ("SPBC")(3)	**51**	51	Property development.
Capitol Property Management Sdn. Bhd. ("CPM")(2)	**91**	91	Providing property management services.
Indirect - held through Seal Properties (KL) Sdn. Bhd.			
Great Eastern Mills Berhad(1)	**14**	14	Dormant.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name Of Subsidiaries	Effective Equity Interest 2020 %	2019 %	Principal Activities
Indirect - held through Seal Properties (PG) Sdn. Bhd.			
SCSB [(2)]	**9**	9	Property development.
SPBC [(3)]	**9**	9	Property development.
CPM [(2)]	**9**	9	Providing property management services.

(1) *The Company has a direct interest of 78% and an indirect interest of 14% via another subsidiary, Seal Properties (KL) Sdn. Bhd.*

(2) *The Company has indirect interest of 91% and 9% via subsidiaries of Seal Properties Sdn. Bhd. and Seal Properties (PG) Sdn. Bhd. respectively.*

(3) *The Company has indirect interest of 51% and 9% via subsidiaries of Seal Properties Sdn. Bhd. and Seal Properties (PG) Sdn. Bhd. respectively.*

2020

During the financial year, the Company had subscribed for 82,738,000 redeemable non-cumulative non-convertible preference shares in SCSB by way of converting amount due from SCSB of RM82,738,000.

2019

In the prior financial year, the cost of investment decreased by RM14,600,000 due to the redemption of preferences shares in Seal City Sdn. Bhd. at RM1.00 per preference share on 27 September 2018.

Impairment on investment in subsidiaries

The Company reviews the investment in subsidiaries for impairment annually. The recoverable amounts of the investment in subsidiaries are assessed by reference to their fair value less cost to sell, which approximate the net assets of the subsidiaries at the end of the reporting period. Accordingly, there is impairment loss of **RM156,996** is provided in respect of investment in SKCSB in the current financial year (2019: RM230,051) and reversal of impairment losses of **RM1,743,489** (2019: RM Nil) in respect of investments in SVSB, STCSB, and SCISB.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Subsidiary with material non-controlling interests ("NCI")

The details of the material NCI are as follows:

	SPBC	
	2020	2019
NCI percentage of ownership interest and voting interest (%)	**40%**	40%
Carrying amount of NCI (RM)	**5,967,472**	5,876,864
Profit allocated to NCI (RM)	**90,607**	43,110

The summarised financial information of material NCI presented below is the amount before inter-company elimination:

	SPBC	
	2020 RM	2019 RM
Assets and liabilities		
Non-current assets	**7,190**	8,340
Current assets	**14,924,960**	14,709,938
Current liabilities	**(13,471)**	(26,117)
Net assets	**14,918,679**	14,692,161
Results		
Revenue	**-**	-
Other income	**364,077**	305,889
Net profit, representing total comprehensive income for the financial year	**226,518**	107,775
Net cash (used in)/generated from:		
Operating activities	**(117,559)**	2,573,318
Investing activities	**2,146,959**	(1,983,293)
Financing activities	**(1,000)**	139,129
Net change in cash and cash equivalents	**2,028,400**	729,154

8. TIMBER CONCESSIONS

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Balance at beginning	**15,663,341**	16,178,628	**7,058,654**	7,058,654
Costs recognised in profit or loss	**-**	(515,287)	**-**	-
	15,663,341	15,663,341	**7,058,654**	7,058,654
Less:				
Accumulated impairment loss	**(4,864,410)**	(4,864,410)	**(4,864,410)**	(4,864,410)
Balance at end	**10,798,931**	10,798,931	**2,194,244**	2,194,244

9. INVENTORIES

		GROUP		COMPANY	
		2020	2019	**2020**	2019
		RM	RM	**RM**	RM
Non-current:					
Land held for development	9.1	**95,016,670**	95,016,670	**17,599,245**	17,599,245
Current:					
Property development costs	9.2	**17,160,616**	17,160,616	-	-
Completed development properties	9.3	**11,300,472**	11,300,472	-	-
		28,461,088	28,461,088	-	-
		123,477,758	123,477,758	17,599,245	17,599,245
Cost of inventories recognised in profit or loss:					
Inventories recognised as cost of sales		**-**	1,271,890	**-**	-

9.1 Land held for development

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Land				
Balance at beginning	**94,477,480**	94,446,008	**17,060,055**	17,060,055
Additions	**-**	31,472	**-**	-
Balance at end	**94,477,480**	94,477,480	**17,060,055**	17,060,055
Development costs				
Balance at beginning	**539,190**	510,870	**539,190**	510,870
Additions	**-**	28,320	**-**	28,320
Balance at end	**539,190**	539,190	**539,190**	539,190
	95,016,670	95,016,670	**17,599,245**	17,599,245
Represented by:				
Freehold land	**85,337,855**	85,337,855	**7,920,430**	7,920,430
Leasehold land	**9,139,625**	9,139,625	**9,139,625**	9,139,625
Development costs	**539,190**	539,190	**539,190**	539,190
	95,016,670	95,016,670	**17,599,245**	17,599,245

The carrying amount of the Group's and the Company's freehold land and leasehold land which are pledged to a licensed bank for banking facilities granted to the Group and the Company as disclosed in Note 22 to the financial statements is **RM17,060,055** (2019: RM17,060,055).

9.2 Property development costs

	GROUP	
	2020	2019
	RM	RM
Balance at beginning		
Freehold land, at cost	**13,337,260**	13,337,260
Development costs	**3,823,356**	3,344,324
	17,160,616	16,681,584
Costs incurred during the financial year		
Development costs	**-**	479,032
Balance at end	**17,160,616**	17,160,616
Represented by:		
Freehold land	**13,337,260**	13,337,260
Development costs	**3,823,356**	3,823,356
	17,160,616	17,160,616

The entire freehold land is pledged to a licensed bank for banking facilities granted to as subsidiary as disclosed in Note 22 to the financial statements.

9.3 Completed development properties

Included herein are completed development properties amounting to **RM7,016,101** (2019: RM7,016,101) which are pledged to a licensed bank as securities for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements.

10. TRADE RECEIVABLES

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Trade receivables	**64,628,603**	96,703,608	**135,124**	135,124
Less: Allowance for expected credit losses				
Balance at beginning	**7,997,647**	7,912,963	**135,124**	135,124
Current year	**-**	84,684	**-**	-
Reversal	**(3,000)**	-	**-**	-
Balance at end	**(7,994,647)**	(7,997,647)	**(135,124)**	(135,124)
	56,633,956	88,705,961	**-**	-

Included in the Group's trade receivables is retention sum receivables of **RM9,833,436** (2019: RM9,968,186).

The trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The trade receivables of the Group are non-interest bearing, except for an amount of **RM37,974** (2019: RM Nil) which bears an interest rate of **10%** per annum (2019: Nil).

The credit terms granted to the trade receivables are as follows:

(i)	Property development	:	Credit term for sale of completed development properties is generally for a period of three months, extending up to four months while the credit term for progress billings range from **14 to 21 days** (2019: 14 to 21 days) from the date of the progress billings.
(ii)	Construction	:	Credit term is **30 days** (2019: 30 days) from the date of the progress billings.
(iii)	Others	:	Credit term ranges from **7 to 90 days** (2019: 7 to 90 days).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
* Other receivables	**83,950,850**	68,398,513	**769,849**	769,849
Less: Allowance for expected credit losses	**(769,849)**	(769,849)	**(769,849)**	(769,849)
	83,181,001	67,628,664	**-**	-
#Stakeholders' sum	**12,828,333**	5,447,000	**-**	-
GST recoverable	**3,924**	184,459	**3,924**	3,924
Deposits	**495,145**	569,999	**760**	880
Prepayments	**15,482,140**	15,386,625	**15,064,128**	15,078,383
Less: Accumulated impairment loss	**(14,917,340)**	(14,917,340)	**(14,917,340)**	(14,917,340)
	564,800	469,285	**146,788**	161,043
	97,073,203	74,299,407	**151,472**	165,847

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

GROUP

* On 19 February 2013, Seal Properties (KL) Sdn. Bhd. entered into a Turnkey Agreement with Dwitasik Sdn. Bhd. to develop a piece of land measuring 12.46 acres into a mixed development project ("the Development") subject to the terms and conditions contained therein.

Included in other receivables is **RM82,745,337** (2019: RM67,132,163) which is the consideration and payment of land premiums and other related charges to authorities and expenditures related to the Development pursuant to the terms and conditions of the Turnkey Agreement and is repayable from the sales proceeds of the Development.

\# Included herein is **RM5,447,000** (2019: RM5,447,000) which is in relation to the stakeholder's sum held by the solicitors pursuant to the Settlement Agreement entered by the Company together with its subsidiaries, namely Seal Properties Sdn. Bhd., Seal Properties (Bayan City) Sdn. Bhd., Seal Concepts Sdn. Bhd. and Seal Place Sdn. Bhd., with Sovereign Paramount Sdn. Bhd. ("Sovereign Paramont"), Sierra Bonus Sdn. Bhd. and Sulaiman Bin Ahmad on 16 December 2016 in relation to an Originating Summon and a Notice of Discontinuance filed by Sovereign Paramount.

The respective stakeholder's sum is expected to be released upon the fulfilment of the terms as stipulated in the Settlement Agreement by 2021.

The remaining balances of **RM7,381,333** (2019: RM Nil) is in relation to the stakeholder's sum held by the solicitors pursuant to the material litigation as disclosed in Note 39 to the financial statements.

12. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2020	2019
	RM	RM
Amount due from subsidiaries		
Trade related	**1,808,364**	1,808,364
Non-trade related		
- Non-interest bearing	**19,338**	53,741
- Interest bearing at **3% to 7.95%** (2019: 3%) per annum	**146,761,485**	220,061,160
Less: Allowance for expected credit losses	**(417,764)**	(436,523)
	146,343,721	219,624,637
	148,171,423	221,486,742
Amount due to subsidiaries		
Non-trade related		
- Non-interest bearing	**-**	200,000
- Interest bearing at **3%** (2019: 3%) per annum	**7,004,349**	2,172,177
	7,004,349	2,372,177

The movement of allowance for expected credit losses during the financial year is as follows:

	COMPANY	
	2020	2019
	RM	RM
Balance at beginning	**436,523**	36,079
Current	**-**	400,444
Reversal	**(18,759)**	-
Balance at end	**417,764**	436,523

12. AMOUNT DUE FROM / TO SUBSIDIARIES (CONT'D)

The amount due from subsidiaries are non-interest bearing and unsecured. The non-trade related amounts are classified based on expected timing of realisation while the trade related amount is payable on normal credit terms.

The amount due to subsidiaries is non-trade related, unsecured and repayable on demand.

13. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2020	2019
	RM	RM
Contract assets		
Construction contracts		
Balance at beginning	**97,936**	(6,034,957)
Revenue recognised during the year	**12,680,074**	66,087,233
Progress billings during the year	**(8,897,682)**	(59,523,690)
Balance at end	**3,880,328**	528,586
Project management fee		
Balance at beginning	**1,457,023**	-
Revenue recognised during the year	**253,119**	1,890,134
Progress billings during the year	**(1,057,753)**	(433,111)
Balance at end	**652,389**	1,457,023
	4,532,717	1,985,609
Contract liabilities		
Rental income received in advance from tenants	**(64,156)**	-

Contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the end of the reporting period.

14. CONTRACT COSTS

	GROUP	
	2020	2019
	RM	RM
Cost to fulfil a contract	**761,211**	-

Construction related costs that are attributable to the on-going construction projects are presented as contract fulfilment costs.

These costs are amortised to profit or loss when the related revenues are recognised

15. OTHER INVESTMENTS

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Financial assets at fair value through profit or loss				
- Investment in quoted unit trusts	**18,445,748**	18,506,434	**3,800,000**	4,456,801

16. DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Fixed deposits	**20,033,604**	20,999,488	**1,026,023**	-
Short term money market deposits	**100,000**	-	**-**	-
	20,133,604	20,999,488	**1,026,023**	-

Included herein are the Group's fixed deposits amounting to **RM5,191,731** (2019: RM4,218,979) which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks of the Group as at the end of the reporting period ranged from **1.85% to 3.50%** (2019: 2.90% to 3.70%) and **1 month to 12 months** (2019: 1 month to 12 months) respectively while the effective interest rates per annum and maturity of the fixed deposits with licensed banks of the Company as at the end of the reporting period is **2.15%** (2019: Nil) and **1 month** (2019: Nil) respectively.

The effective interest rates per annum and maturity of the short term money market deposits of the Group as at the end of the reporting period ranged from **1.65% to 2.90%** (2019: Nil) and **10 days** (2019: Nil) respectively.

17. NON-CURRENT ASSET HELD FOR SALE

	GROUP AND COMPANY	
	2020 RM	2019 RM
Freehold shop lot:		
Reclassified from investment properties	**705,000**	-

On 16 June 2020, the Group and the Company have entered into a Sale and Purchase Agreement to dispose of a commercial shop lot for a cash consideration of RM705,000. The disposal transaction has completed subsequent to the year end.

18. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2020	2019	**2020 RM**	2019 RM
Issued and fully paid with no par value	**242,952,684**	242,952,684	**142,629,537**	142,629,537

19. TREASURY SHARES

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 16 November 2007, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of the existing total issued and paid up share capital. This mandate was renewed at the Annual General Meeting of the Company, held on 5 December 2019.

19. TREASURY SHARES (CONT'D)

Of the total **242,952,684** (2019: 242,952,684) issued and fully paid ordinary shares as at the end of the reporting period, **5,896,500** (2019: 5,896,500) ordinary shares are held as treasury shares by the Company.

As at the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid after the set off is therefore **237,056,184** (2019: 237,056,184) ordinary shares.

Treasury shares have no rights to voting, dividends and participation in other distribution.

20. RESERVES

	GROUP AND COMPANY	
	2020	2019
	RM	RM
Asset revaluation reserve	**352,940**	352,940

Asset revaluation reserve is in respect of the surplus on revaluation of properties, net of deferred tax.

21. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

22. BORROWINGS

	GROUP	
	2020	2019
	RM	RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within 1 year	**187,755**	273,104
More than 1 year and less than 2 years	**141,870**	212,774
More than 2 years and less than 5 years	**117,039**	180,681
	446,664	666,559
Future finance charges	**(22,889)**	(43,176)
	423,775	623,383
Amount due within 1 year included under current liabilities	**(175,468)**	(249,404)
	248,307	373,979
Term loans		
Total amount repayable	**63,023,892**	45,951,455
Amount due within 1 year included under current liabilities	**(1,964,167)**	(1,227,212)
	61,059,725	44,724,243
	61,308,032	45,098,222
Current liabilities		
Secured:		
Bank overdrafts	**10,374,461**	9,529,244
Commodity financing	**14,815,630**	14,068,815
Domestic recourse factoring	**3,350,667**	14,284,970
Finance lease liabilities	**175,468**	249,404
Term loans	**1,964,167**	1,227,212
	30,680,393	39,359,645
Total borrowings	**91,988,425**	84,457,867

22. BORROWINGS (CONT'D)

The borrowings of the Group are secured by way of:

(i) Legal charge over the Group's freehold shoplots as disclosed in Note 5 to the financial statements;
(ii) Deed of assignment of all rights, interests and benefits over the Group's freehold shoplots and freehold office lots as disclosed in Note 5 to the financial statements;
(iii) Legal charge over the Group's and the Company's freehold and leasehold land as disclosed in Note 9 to the financial statements;
(iv) First party legal charge over certain completed development properties as disclosed in Note 9 to the financial statements;
(v) Pledge of the Group's fixed deposits with licensed banks as disclosed in Note 16 to the financial statements;
(vi) Assignment of rental proceeds over the Group's freehold shoplots as disclosed in Note 26 to the financial statements;
(vii) Corporate guarantee by the Company and a subsidiary; and
(viii) Leased assets as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and the maturities of the borrowings is as follows:

	Effective interest rates per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2020						
Bank overdrafts	**6.45 to 6.95**	**10,374,461**	**10,374,461**	**-**	**-**	**-**
Commodity financing	**4.85**	**14,815,630**	**14,815,630**	**-**	**-**	**-**
Domestic recourse factoring	**4.70 to 5.45**	**3,350,667**	**3,350,667**	**-**	**-**	**-**
Finance lease liabilities	**2.33 to 3.20**	**423,775**	**175,468**	**134,337**	**113,970**	**-**
Term loans	**3.69 to 4.95**	**63,023,892**	**1,964,167**	**3,196,722**	**14,428,238**	**43,434,765**
2019						
Bank overdrafts	7.45	9,529,244	9,529,244	-	-	-
Commodity financing	5.85	14,068,815	14,068,815	-	-	-
Domestic recourse factoring	5.70 to 5.95	14,284,970	14,284,970	-	-	-
Finance lease liabilities	2.33 to 3.20	623,383	249,404	200,582	173,397	-
Term loans	4.69 to 5.90	45,951,455	1,227,212	1,290,706	7,802,435	35,631,102

23. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Deferred tax on fair value changes in investment properties				
Balance at beginning	**467,142**	416,142	**6,784**	6,784
Recognised in profit or loss	**1,831,900**	51,000	**(410)**	-
Over provision in prior year	**(339,915)**	-	**-**	-
Balance at end	**1,959,127**	467,142	**6,374**	6,784
Excess of capital allowances over depreciation on property, plant and equipment				
Balance at beginning	**44,000**	67,000	**-**	-
Recognised in profit or loss	**(15,000)**	(16,000)	**(1,000)**	-
Under/(Over) provision in prior year	**5,000**	(7,000)	**5,000**	-
Balance at end	**34,000**	44,000	**4,000**	-
	1,993,127	511,142	**10,374**	6,784

The deferred tax liabilities as at the end of the reporting period are represented by the temporary differences arising from:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Property, plant and equipment	**34,000**	44,000	**4,000**	-
Investment properties	**1,959,127**	467,142	**6,374**	6,784
	1,993,127	511,142	**10,374**	6,784

24. TRADE PAYABLES

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Trade payables	**9,722,290**	10,184,743	**2,444**	2,444
Retention sum payables	**9,561,604**	11,004,467	**-**	-
	19,283,894	21,189,210	**2,444**	2,444

The trade payables are non-interest bearing and are normally settled within **30 to 90 days** (2019: 30 to 90 days) credit terms.

25. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Other payables	**2,576,443**	801,980	**43,925**	60,034
Accruals:				
- Accrued development costs	**16,000,000**	16,000,000	**-**	-
- Accrued profit sharing	**4,284,569**	4,086,116	**-**	-
- Accrued project management consultancy fee	**-**	1,215,751	**-**	-
- Others	**5,805,677**	2,486,001	**695,754**	254,576
	26,090,246	23,787,868	**695,754**	254,576
Deposits received	**6,137,195**	5,351,601	**71,950**	-
SST payables	**139,975**	119,331	**-**	-
	34,943,859	30,060,780	**811,629**	314,610

26. REVENUE

26.1 Disaggregated revenue information

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Types of revenue or services				
Rental income	**18,786,570**	21,244,204	**13,600**	-
Construction contract revenue	**12,680,074**	66,087,233	-	-
Project management fee	**253,119**	1,890,134	-	-
Sale of timber	-	3,776,745	-	-
Provision of marketing services	**6,692,384**	7,231,024	-	-
Gross dividend from subsidiaries	-	-	-	62,598,409
Property management services	**163,650**	-	-	-
Total revenue from contracts with customers	**38,575,797**	100,229,340	**13,600**	62,598,409
Timing of revenue recognition				
Performance obligation satisfied over time	**31,883,413**	89,221,571	**13,600**	-
Performance obligation satisfied at a point in time	**6,692,384**	11,007,769	-	62,598,409
Total revenue from contracts with customers	**38,575,797**	100,229,340	**13,600**	62,598,409

26. REVENUE (CONT'D)

26.1 Disaggregated revenue information (cont'd)

Geographical segments

The Group's and the Company's revenue are derived from Malaysia only.

26.2 Performance obligations

The performance obligations of the respective revenue are disclosed in Note 3.11 to the financial statements.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations of the Group (unsatisfied or partially unsatisfied) under construction contract revenue to be fulfilled within one year as at the end of the reporting period is **RM8,732,552** (2019: RM42,011,256).

27. DIRECT OPERATING COSTS

	GROUP	
	2020 RM	2019 RM
Rental operating costs	**13,115,336**	13,926,383
Construction contract costs	**11,544,283**	61,731,031
Timber concession cost recognised	**-**	515,287
Timber related costs	**-**	756,603
	24,659,619	76,929,304

28. OTHER INCOME

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Administrative income	**5,564,425**	4,124,736	**-**	-
Deposits forfeited	**95,872**	24,453	**-**	-
Dividend income from investment in quoted unit trusts	**647,839**	924,871	**127,230**	198,107
Fair value gain on investment properties	**17,118,801**	1,014,131	**-**	-
Gain on derecognition of right-of-use asset and lease liability	**1,029,263**	-	**-**	-
Gain on disposal of non-current asset held for sale	**-**	12,966,937	**-**	-
Gain on disposal of property, plant and equipment	**15,499**	-	**-**	-
Interest income				
- Financial institutions	**778,313**	1,032,569	**72,969**	247,788
- Amount due from subsidiaries	**-**	-	**5,830,456**	5,946,277
- Others	**5,108**	370,326	**-**	-
Miscellaneous income	**158,521**	35,757	**83,922**	59,873
Rental income	**578,640**	648,027	**-**	-
Balance carried forward	**25,992,281**	21,141,807	**6,114,577**	6,452,045

28. OTHER INCOME (CONT'D)

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Balance brought forward	**25,992,281**	21,141,807	**6,114,577**	6,452,045
Rent concessions	**1,495,258**	-	**-**	-
Reversal of allowance for expected credit losses	**3,000**	-	**18,759**	-
Reversal of impairment loss on investment in subsidiaries	**-**	-	**1,743,489**	-
	27,490,539	21,141,807	**7,876,825**	6,452,045

29. PROFIT BEFORE TAX

This is arrived at after charging:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Allowance for expected credit losses	**-**	84,684	**-**	-
Audit fee				
- statutory audit				
- current year	**110,000**	104,500	**35,000**	35,000
- under provision in prior year	**3,000**	3,500	**-**	-
- other services	**3,000**	3,000	**3,000**	3,000
Depreciation of property, plant and equipment	**450,778**	612,422	**12,929**	100,054
Depreciation of right-of-use asset	**7,635,029**	-	**-**	-
Directors' fee for non-executive directors	**192,000**	192,000	**192,000**	192,000
Fair value loss on investment properties	**45,000**	-	**45,000**	-
Impairment loss on amount due from a subsidiary	**-**	-	**-**	400,444
Impairment loss on investment in a subsidiary	**-**	-	**156,996**	230,051
Interest expense on:				
- Finance lease liabilities	**20,287**	32,102	**-**	-
- Term loans	**2,890,908**	1,271,637	**-**	-
- Bank overdrafts	**76,239**	39,727	**39,178**	29,727
- Late payment	**1,033**	-	**-**	-
- Lease liability (accretion of interest)	**2,365,784**	-	**-**	-
- Amount due from subsidiaries	**-**	-	**45,263**	453,809
Lease rental	**-**	8,971,550	**-**	-
Property, plant and equipment written off	**9,780**	13,020	**-**	2
Rental expenses	**3,848**	4,537	**-**	-
* Staff costs	**6,128,381**	6,192,091	**700,727**	700,727

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
30 JUNE 2020

29. PROFIT BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
* **Staff costs**				
- Salaries, wages, overtime, allowances, incentive and bonus	**4,683,219**	5,529,509	**624,000**	624,000
- EPF	**567,641**	604,811	**74,880**	74,880
- SOCSO	**50,009**	52,153	**1,657**	1,657
- Employment Insurance System ('EIS')	**5,512**	5,618	**190**	190
-Termination benefits	**822,000**	-	**-**	-
	6,128,381	6,192,091	**700,727**	700,727

Included in the staff costs (excluding benefits-in-kind) of the Group and of the Company is the aggregate amount of remuneration received and receivable by the executive directors of the Group and of the Company as shown below:

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Salaries and bonus	**754,000**	754,000	**624,000**	624,000
EPF	**74,880**	74,880	**74,880**	74,880
SOCSO and EIS	**2,441**	2,441	**1,847**	1,847
	831,321	831,321	**700,727**	700,727
Benefits-in-kind	**46,638**	51,950	**-**	-
	877,959	883,271	**700,727**	700,727

30. TAX EXPENSE

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Malaysian income tax: Based on results for the financial year				
- Current tax	**(2,352,000)**	(4,599,000)	**(1,249,000)**	(1,082,000)
- Deferred tax relating to the origination and reversal of temporary differences	**(1,816,900)**	(35,000)	**1,410**	-
	(4,168,900)	(4,634,000)	**(1,247,590)**	(1,082,000)
Over/(Under) provision in prior year				
- Current tax	**77,527**	(3,570,491)	**(170,065)**	(100,607)
- Deferred tax	**334,915**	7,000	**(5,000)**	-
	412,442	(3,563,491)	**(175,065)**	(100,607)
	(3,756,458)	(8,197,491)	**(1,422,655)**	(1,182,607)

30. TAX EXPENSE (CONT'D)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Profit before tax	**19,917,616**	28,041,760	**5,490,797**	66,125,242
Income tax at Malaysian statutory tax rate of 24%	**(4,780,228)**	(6,730,022)	**(1,317,791)**	(15,870,058)
Income not subject to tax	**5,931,608**	3,574,348	**448,973**	15,071,164
Expenses not deductible for tax purposes	**(2,137,380)**	(923,719)	**(379,182)**	(259,092)
Utilisation of unused tax losses and unabsorbed capital allowances	**-**	381,092	**-**	-
Deferred tax assets not recognised	**(1,351,000)**	(884,699)	**-**	(24,014)
Effect of real property gains tax rate applied on the fair value changes of the investment properties	**(1,831,900)**	(51,000)	**410**	-
	(4,168,900)	(4,634,000)	**(1,247,590)**	(1,082,000)
Over/(Under) provision in prior year	**412,442**	(3,563,491)	**(175,065)**	(100,607)
	3,756,458	(8,197,491)	**(1,422,655)**	(1,182,607)

The following deferred tax assets have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which they may be utilised:

	GROUP	
	2020	2019
	RM	RM
Property, plant and equipment	**14,000**	18,000
Unabsorbed capital allowances	**(559,000)**	(551,000)
Unused tax losses	**(9,711,000)**	(8,598,000)
Others	**(226,000)**	-
	(10,482,000)	(9,131,000)

The amount and future availability of unused tax losses and unabsorbed capital allowances of the Group which are available to be carried forward for set-off against future taxable income are estimated follows:

	GROUP	
	2020	2019
	RM	RM
Unabsorbed capital allowances	**2,331,000**	2,296,000
Unused tax losses	**40,453,000**	35,824,000

The unused tax losses can be carried forward for seven consecutive years of assessment immediately following that year of assessment (unused tax losses accumulated up to year of assessment 2018 can be carried forward until year of assessment 2025) and the unabsorbed capital allowances can be carried forward indefinitely pursuant to the gazetted Finance Act 2018.

30. TAX EXPENSE (CONT'D)

The expiry of the unused tax losses is as follows:

	2020 RM	2019 RM
Year of assessment 2025	**32,808,000**	32,808,000
Year of assessment 2026	**3,016,000**	3,016,000
Year of assessment 2027	**4,629,000**	-
	40,453 ,000	35,824,000

31. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP 2020	GROUP 201 9
Profit attributable to owners of the Company (RM)	**16,069,941**	19,801,442
Weighted average number of ordinary shares	**237, 056,184**	237,056,184
Earnings per share (sen)	**6.78**	8.35

Basic and diluted earnings per share are the same as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

32. COMMITMENTS

32. 1 Operating lease commitments

Operating lease commitments represent rentals payable for use of a premise for a term of 3 years. Future minimum rentals payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP 2020 RM	GROUP 2019 RM
Within 1 year	**-**	8,223,921

32.2 Capital commitments

	GROUP 2020 RM	GROUP 2019 RM
Contracted but not provided for:		
- Investment properties	**-**	3,219,865
Authorised but not provided for:		
- Investment properties	**-**	21,708,300

33. SEGMENT INFORMATION

Segmental information is presented in respect of the Group's business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Group comprises the following main business segments:

(1) Property management
(2) Property investment
(3) Timber related
(4) Property development
(5) Construction
(6) Others which consist of investment holding and provision of marketing services

33. SEGMENT INFORMATION (CONT'D)

	Property management RM	Property investment RM	Timber related RM	Property development RM	Construction RM	Others RM	Elimination RM	Note	Total RM
2020									
Revenue									
External sales	16,192,543	2,757,677	-	-	12,933,193	6,692,384	-		38,575,797
Inter-segment sales	-	294,000	-	-	6,564,289	6,221,000	(13,079,289)	A	-
Total revenue	16,192,543	3,051,677	-	-	19,497,482	12,913,384	(13,079,289)		38,575,797
Result									
Segment results	5,735,720	17,055,167	(161,774)	(1,477,371)	5,880,248	(2,543,544)			24,488,446
Interest income									783,421
Operating profit									25,271,867
Finance costs									(5,354,251)
Profit before tax									19,917,616
Tax expense									(3,756,458)
Profit for the financial year									16,161,158
Assets									
Segment assets	12,400,626	132,765,716	11,774,355	140,513,319	153,320,823	4,479,467			455,254,306
Current tax assets									2,421,252
Total assets									457,675,558
Liabilities									
Segment liabilities	10,579,796	76,318,235	1,267,702	2,748,734	54,915,827	450,040			146,280,334
Deferred tax liabilities									1,993,127
Current tax liabilities									643,177
Total liabilities									148,916,638
Other information									
Additions to non-current assets	2,280	19,542,004	-	-	15,524	10,888		B	19,570,696
Depreciation of property, plant and equipment	15,744	15,950	-	9,887	260,745	148,452			450,778
Depreciation of right-of-use asset	7,635,029	-	-	-	-	-			7,635,029
Non-cash (income)/ expenses other than depreciation	(2,527,515)	(17,073,801)	-	(15,497)	-	9,772		C	(19,607,041)

33. SEGMENT INFORMATION (CONT'D)

	Property management RM	Property investment RM	Timber related RM	Property development RM	Construction RM	Others RM	Elimination RM	Note	Total RM
2019									
Revenue									
External sales	18,692,465	2,551,739	3,776,745	-	67,977,367	7,231,024	-		100,229,340
Inter-segment sales	-	260,400	-	-	-	69,416,409	(69,676,809)	A	-
Total revenue	18,692,465	2,812,139	3,776,745	-	67,977,367	76,647,433	(69,676,809)		100,229,340
Result									
Segment result	5,215,452	14,434,121	1,441,952	498,905	9,750,330	(3,358,429)			27,982,331
Interest income									1,402,895
Operating profit									29,385,226
Finance costs									(1,343,466)
Profit before tax									28,041,760
Tax expense									(8,197,491)
Profit for the financial year									19,844,269
Assets									
Segment assets	10,233,893	101,525,137	11,802,020	140,638,876	159,450,960	5,232,177			428,883,063
Current tax assets									604,949
Total assets									429,488,012
Liabilities									
Segment liabilities	9,442,816	57,598,090	1,275,782	1,766,956	64,278,456	1,345,757			135,707,857
Deferred tax liabilities									511,142
Current tax liabilities									671,251
Total liabilities									136,890,250
Other information									
Additions to non-current assets	5,900	24,490,089	-	-	-	130,295		B	24,626,284
Depreciation	18,054	18,067	84,739	87,317	260,637	143,608			612,422
Non-cash expenses/ (income) other than depreciation	86,699	(13,981,066)	515,287	-	-	11,003		C	(13,368,077)

33. SEGMENT INFORMATION (CONT'D)

Notes to segment information:

A Inter-segment revenue is eliminated on consolidation.

B Additions to non-current assets consists of total costs incurred during the financial year to acquire property, plant and equipment and investment properties.

C Other non-cash expenses/(income) consist of the following items:

	2020 **RM**	2019 RM
Allowance for expected credit losses	**-**	84,684
Fair value gain on investment properties, net	**(17,073,801)**	(1,014,131)
Gain on derecognition of right-of-use asset and lease liability	**(1,029,263)**	-
Gain on disposal of non-current asset held for sale	**-**	(12,966,937)
Gain on disposal of property, plant and equipment	**(15,499)**	-
Property, plant and equipment written off	**9,780**	13,020
Rent concessions	**(1,495,258)**	-
Reversal of allowance for expected credit losses	**(3,000)**	-
Timber concession cost recognised	**-**	515,287
	(19,607,041)	(13,368,077)

By geographical segments

No information on geographical segment is presented as the Group's business is operated solely in Malaysia.

Information about major customers

Total revenue from **1** (2019: 1) major customer which contributed more than 10% of the Group's revenue from the construction segments amounted to **RM19,625,577** (2019: RM75,208,391).

34. RELATED PARTY DISCLOSURES

(i) Identify of related parties

The Group and the Company have related party relationship with its subsidiaries and key management personnel.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial year.

	COMPANY	
	2020 **RM**	2019 RM
Administrative fee, human resources and information technology support services fee charged by a subsidiary	**372,000**	360,000
Gross dividend received from subsidiaries	**-**	62,598,409
Interest charged by subsidiaries	**45,263**	453,809
Interest charged to subsidiaries	**5,830,456**	5,946,277
Corporate guarantee fee charged to subsidiaries	**83,018**	59,873

34. RELATED PARTY DISCLOSURES (CONT'D)

(iii) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

The remuneration of the directors and other members of key management personnel during the financial year is as follows:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Short term employee benefits	**1,570,475**	1,651,603	**625,847**	625,847
Defined contribution plan	**168,951**	170,557	**74,880**	74,880
	1,739,426	1,822,160	**700,727**	700,727
Analysed as:				
- Directors	**877,959**	883,271	**700,727**	700,727
- Key management personnel	**861,467**	938,889	**-**	-
	1,739,426	1,822,160	**700,727**	700,727

35. FINANCIAL INSTRUMENTS

35.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2020			
Financial assets	**56,633,956**	**56,633,956**	**-**
Trade receivables	**96,504,479**	**96,504,479**	**-**
Other receivables and refundable deposits	**18,445,748**	**-**	**18,445,748**
Other investments	**20,133,604**	**20,133,604**	**-**
Deposits with licensed banks	**5,258,443**	**5,258,443**	**-**
Cash and bank balances	**196,976,230**	**178,530,482**	**18,445,748**
Financial liabilities	**91,988,425**	**91,988,425**	**-**
Borrowings	**19,283,894**	**19,283,894**	**-**
Trade payables	**34,803,884**	**34,803,884**	**-**
Other payables and accruals excluding SST payables	**146,076,203**	**146,076,203**	**-**

35. FINANCIAL INSTRUMENTS (CONT'D)

35.1 Categories of financial instruments (cont'd)

GROUP

	Carrying amount RM	AC RM	FVTPL RM
2019			
Financial assets			
Trade receivables	88,705,961	88,705,961	-
Other receivables and refundable deposits	73,645,663	73,645,663	-
Other investments	18,506,434	-	18,506,434
Deposits with licensed banks	20,999,488	20,999,488	-
Cash and bank balances	8,154,678	8,154,678	-
	210,012,224	191,505,790	18,506,434
Financial liabilities			
Borrowings	84,457,867	84,457,867	-
Trade payables	21,189,210	21,189,210	-
Other payables and accruals excluding SST payables	29,941,449	29,941,449	-
	135,588,526	135,588,526	-

COMPANY

	Carrying amount RM	AC RM	FVTPL RM
2020			
Financial assets			
Other receivables and refundable deposits	**760**	**760**	**-**
Amount due from subsidiaries	**148,171,423**	**148,171,423**	**-**
Other investments	**3,800,000**	**-**	**3,800,000**
Deposits with licensed banks	**1,026,023**	**1,026,023**	**-**
Cash and bank balances	**1,619,679**	**1,619,679**	**-**
	154,617,885	**150,817,885**	**3,800,000**
Financial liabilities			
Trade payables	**2,444**	**2,444**	**-**
Other payables and accruals	**811,629**	**811,629**	**-**
Amount due to subsidiaries	**7,004,349**	**7,004,349**	**-**
	7,818,422	**7,818,422**	**-**
2019			
Financial assets			
Other receivables and refundable deposits	880	880	-
Amount due from subsidiaries	221,486,742	221,486,742	-
Other investments	4,456,801	-	4,456,801
Cash and bank balances	3,780,727	3,780,727	-
	229,725,150	225,268,349	4,456,801
Financial liabilities			
Trade payables	2,444	2,444	-
Other payables and accruals	314,610	314,610	-
Amount due to subsidiaries	2,372,177	2,372,177	-
	2,689,231	2,689,231	-

35. FINANCIAL INSTRUMENTS (CONT'D)

35.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market price risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

35.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from its trade and other receivables, advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

35.3.1 Receivables

The maximum exposure to credit risk arising from trade receivables are represented by their carrying amounts in the statements of financial position.

The Group and the Company will take into consideration factors such as the relationship with the customers, their payment history and credit worthiness in deciding whether credit shall be extended. The Group and the Company subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The ageing analysis of trade receivables of the Group and of the Company as at the end of the reporting period is as follows:

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2020			
Not past due	**10,118,111**	**-**	**10,118,111**
Past due 1 to 30 days	**84,202**	**-**	**84,202**
Past due 31 to 60 days	**78,649**	**-**	**78,649**
Past due more than 60 days	**54,347,641**	**(7,994,647)**	**46,352,994**
	54,510,492	**(7,994,647)**	**46,515,845**
	64,628,603	**(7,994,647)**	**56,633,956**
2019			
Not past due	11,172,534	-	11,172,534
Past due 1 to 30 days	2,175,140	-	2,175,140
Past due 31 to 60 days	2,442,914	-	2,442,914
Past due more than 60 days	80,913,020	(7,997,647)	72,915,373
	85,531,074	(7,997,647)	77,533,427
	96,703,608	(7,997,647)	88,705,961

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Credit risk (cont'd)

35.3.1 Receivables (cont'd)

COMPANY	Gross RM	Allowance for expected credit losses RM	Net RM
2020			
Past due more than 60 days	**135,124**	**(135,124)**	-
2019			
Part due more than 60 days	135,124	(135,124)	-

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM46,515,845** (2019: RM77,533,427) that are past due at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2019: 1 customer) representing **99%** (2019: 99%) of the total trade receivables.

Maximum exposure to credit risk

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

Credit risk rating	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2020			
Low risk	**56,633,956**	**-**	**56,633,956**
Individually impaired	**7,994,647**	**7,994,647**	**-**
	64,628,603	**7,994,647**	**56,633,956**
2019			
Low risk	88,708,961	-	88,708,961
Individually impaired	7,994,647	7,997,647	-
	96,703,608	7,997,647	88,708,961

35. FINANCIAL INSTRUMENTS (CONT'D)

35.3 Credit risk (cont'd)

35.3.1 Receivables (cont'd)

Maximum exposure to credit risk (cont'd)

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for expected credit losses of trade receivables at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward looking information such as country risk assessment has been incorporated in determining the expected credit losses.

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms given to the customers. The delay in settlement is mainly due to administrative matter. No expected credit losses is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

35.3.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

35.3.3 Financial guarantees

The Company has issued financial guarantees to financial institutions for banking facilities granted to certain subsidiaries.

	COMPANY	
	2020	2019
	RM	RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**141,650,000**	125,650,000
- Maximum exposure	**84,420,941**	76,800,075

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. The directors considered that the fair value of the financial guarantee contracts on initial recognition is insignificant.

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient level of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

GROUP **2020**	**Carrying amount RM**	**Contractual cash flows RM**	**Within 1 year RM**	**More than 1 year and less than 2 years RM**	**More than 2 years and less than 5 years RM**	**More than 5 years RM**
Non-derivative financial liabilities						
Borrowings	**91,988,425**	**113,304,460**	**33,078,436**	**5,903,610**	**21,149,386**	**53,173,028**
Trade payables	**19,283,894**	**19,283,894**	**19,283,894**	**-**	**-**	**-**
Other payables and accruals excluding SST payables	**34,803,884**	**34,803,884**	**34,803,884**	**-**	**-**	**-**
Total undiscounted financial liabilities	**146,076,203**	**167,392,238**	**87,166,214**	**5,903,610**	**21,149,386**	**53,173,028**
2019						
Non-derivative financial liabilities						
Borrowings	84,457,867	106,845,103	41,829,077	3,920,914	14,552,755	46,542,357
Trade payables	21,189,210	21,189,210	21,189,210	-	-	-
Other payables and accruals excluding SST payables	29,941,449	29,941,449	29,941,449	-	-	-
Total undiscounted financial liabilities	135,588,526	157,975,762	92,959,736	3,920,914	14,552,755	46,542,357

35. FINANCIAL INSTRUMENTS (CONT'D)

35.4 Liquidity risk (cont'd)

The financial liabilities of the Company as at the end of the reporting period will mature in less than one year based on the carrying amounts reflected in the financial statements. Financial guarantees of the Company amounting to **RM84,420,941** (2019: RM76,800,075) are assumed to be mature in less than one year based on illustration purpose only as the related financial guarantees have not crystallised as at the end of reporting period.

35.5 Interest rate risk

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair values due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follow:

	GROUP		COMPANY	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Fixed rate instruments				
Financial assets	**20,133,604**	20,999,488	**147,369,744**	219,624,637
Financial liabilities	**18,590,072**	28,977,168	**7,004,349**	2,172,177
Floating rate instruments				
Financial liabilities	**73,398,353**	55,480,699	**-**	-

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have reduced profit before before tax by **RM80,872** (2019: RM62,367) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

35.6 Market price risk

The Group and the Company are exposed to price risk through their investments in unit trust funds which are classified as financial assets at fair value through profit or loss. The management manages this exposure by maintaining a portfolio of investments with different risks and diversifies the portfolio in various financial institutions.

36. FAIR VALUE MEASUREMENT

The carrying amounts of the Group's and the Company's financial assets (other than investments in quoted financial instruments) and financial liabilities as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities is reasonable approximation of fair values due to the insignificant impact of discounting.

36.1 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's and the Company's investment properties based on the followings:

(i) With reference to valuation report by external independent qualified property valuer using the market comparison method, being comparison of current price in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences; and

(ii) Current market values with reference to the selling prices of similar properties.

Details of the Group's and the Company's investment properties and non current asset held for sale and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2020					
Investment Properties	**-**	**-**	**116,177,820**	**116,778,820**	**116,177,820**
Non-current asset held for sale	**-**	**-**	**705,000**	**705,000**	**705,000**
2019					
Investment Properties	-	-	57,147,820	57,147,820,	57,147,820
COMPANY					
2020					
Investment Properties	**-**	**-**	**880,000**	**880,000**	**880,000**
Non-current asset held for sale	**-**	**-**	**705,000**	**705,000**	**705,000**
2019					
Investment Properties	-	-	1,630,000	1,630,000	1,630,000

36. FAIR VALUE MEASUREMENT (CONT'D)

36.2 Financial assets that are measured at fair value on a recurring basis

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2020					
Financial asset					
Other investments	**18,445,748**	-	-	**18,445,748**	**18,445,748**
2019					
Financial asset					
Other investments	18,506,434	-	-	18,506,434	18,506,434
COMPANY					
2020					
Financial asset					
Other investments	**3,800,000**	-	-	**3,800,000**	**3,800,000**
2019					
Financial asset					
Other investments	4,456,801	-	-	4,456,801	4,456,801

Policy of transfer

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Level 3 fair value of investment properties have been generally derived using the market comparison approach. Selling prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot of comparable properties.

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group and the Company manage its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group and the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

37. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their capital structure and may, from time to time, adjust the dividend payouts, purchase own shares, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The Group and the Company monitor capital using a debt to equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Total borrowings	**91,988,425**	84,457,867	**-**	-
Less: Cash and banks balances	**(5,258,443)**	(8,154,678)	**(1,619,679)**	(3,780,727)
Deposits with licensed banks	**(20,133,604)**	(20,999,488)	**(1,026,023)**	-
Net debt/(Net cash)	**66,596,378**	55,303,701	**(2,645,702)**	(3,780,727)
Total equity	**308,758,920**	292,597,762	**278,036,834**	273,968,692
Gearing ratio	**0.22**	0.19	**-**	-

38. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company had on 9 June 2010 and 15 July 2010 obtained approval from Bursa Malaysia Securities Berhad and the shareholders respectively to establish an ESOS with duration of ten years from the effective date.

As at 30 June 2020, no options were granted.

The salient features of the ESOS are as follows:

(i) The aggregate number of options offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid-up share capital during the duration of the ESOS or such additional number that may be permitted by the relevant authorities during the duration of the ESOS;

(ii) Not more than fifty per centum (50%) of the shares available under the ESOS should be allocated, in aggregate, to directors (including non-executive directors) and senior management of the Group. In addition, not more than ten per centum (10%) of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds twenty per centum (20%) or more in the issued and paid-up share capital of the Company;

(iii) An employee (including directors of any company comprised in the Group) shall be eligible to participate in the ESOS if the employee is at least eighteen (18) years of age on the date of offer; employed full time by and on the payroll of any company in the Group and his employment must have been confirmed on the date of offer;

(iv) The option price shall be based on the 5-day volume weighted average market price of the shares of the Company immediately prior to the date of offer provided that the price shall not be at a discount of more than ten per centum (10%) of the 5-day volume weighted average market prices and shall not be less than the par value of the shares of the Company; and

38. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

(v) The new shares to be issued and allotted upon exercise of the option will upon allotment and issuance rank *pari passu* in all respect with the then existing issued shares except that the shares so issued will not be entitled for any right, dividend, allotment and/or any other distributions declared, made or paid, the entitlement date of which is prior to the date of allotment of the shares. The new shares will be subjected to all the provisions of the Constitution of the Company.

39. MATERIAL LITIGATION

On 16 December 2019, Seal Properties (KL) Sdn. Bhd. ("SPKL"), a subsidiary of the Company has filed a Writ and Statement of Claim against Wabina Constructions & Engineering Sdn. Bhd. (formerly known as Wabina Construction & Engineering Sdn. Bhd.) ("Wabina") at High Court of Malaya to claim the following:

(i) liquidated damages of RM22,816,000 in respect of the main building works performed for a mixed development project on a portion of the land on Lot PT9149, Jalan Sri Permaisuri, Bandar Sri Permaisuri, Wilayah Persekutuan Kuala Lumpur ("the Project") developed by SPKL;
(ii) interim Certificate of Payment No. 32 to 36 amounting to RM7,033,696 from Wabina should be deducted against the liquidated damages in item (i);
(iii) liquidated damages of RM1,468,500 in respect of the TNB sub-station and the three mock-up sample units;
(iv) outstanding overtime claims of RM105,852;
(v) outstanding TNB charges of RM230,800 for temporary electricity supply to the project site from February 2019 to July 2019;
(vi) cost to employ third party contractors of RM34,994 to rectify for the damage to external bus stop roof and to clear-up and de-silt drains at project site;
(vii) interest at 5% per annum from the date of the Order to the date of full settlement; and
(viii) costs.

In addition to the above, Wabina had also counterclaimed against SPKL the following:
(i) a sum of RM26,401,538 under Final Account Claim dated 20 January 2020;
(ii) a sum of RM17,500,000 as general, aggravated and/or exemplary damages;
(iii) interest at 5% per annum on item (i) and (ii);
(iv) costs.

Under the contract entered between SPKL and Wabina, the date of commencement of works shall be 1 July 2016 and the works shall be completed within the completion period of twenty-six (26) months from the date of commencement of works, i.e. 31 August 2018. An extension of three months had been granted to Wabina to complete the whole project. As at 5 August 2019, Wabina has breached its obligations under the contract as the work for the project is yet complete. Currently, all proceedings have been stayed pursuant to Section 10 of the Arbitration Act 2005 and the dispute is now referred to arbitration.

On 8 May 2020, Wabina had issued a Notice of Demand to SPKL demanding for a sum of RM7,381,333 (Interim Certificate of Payment No. 32 to 36 together with interests and costs) pursuant to the Adjudication Decision dated 24 February 2020. RM7,381,333 is therefore held by the Company's solicitor as stakeholder's sum.

SPKL, however, had disputed Wabina's counterclaim on the basis, amongst others, that the Final Account Claim is premature as the dispute resolution process has yet to be fully exhausted whilst the claim for damages is without basis as the construction contract had been wrongfully terminated by Wabina.

SPKL had filed for stay of the Adjudication decision. SPKL also filed the Originating Summons to set aside the Adjudication decision and the hearing is now fixed on 1 December 2020. In respect of Wabina's Originating Summons to enforce the Adjudication decision, hearing is also fixed on 1 December 2020.

39. MATERIAL LITIGATION (CONT'D)

Wabina had also served a Notice of Adjudication pursuant to Sections 7 and 8 of the Construction Industry Payment and Adjudication Act 2012 on SPKL with the intention to claim the overdue payment of RM8,688 due under Interim Certificate of Payment No. 37 and overdue payment of RM21,190,132 under progress claim No. 38. The progress claim No. 38 under the Notice of Adjudication was submitted by Wabina after the termination of the contract on 5 August 2019. There is overlapping of the progress claim No. 38 as it is included part of the Final Account Claim of RM26,401,538. In any event, SPKL has disputed the progress claim No. 38 on the basis that Wabina has no contractual basis to submit any further progress payments after the termination of the contract on 5 August 2019. The matter is now pending for appointment of Adjudicator.

On 28 May 2020, SPKL had filed an Originating Summons, an injunction against Wabina, to restrain Wabina from presenting or filing a petition to wind-up SPKL. The above proceedings for an injunction was filed following the Notice of Demand dated 8 May 2020 issued by Wabina against SPKL. The learned Judicial Commissioner ordered the Originating Summons be struck out with no order as to costs, subsequent to the acknowledgement and confirmation from Wabina that the Notice of Demand dated 8 May 2020 is not a statutory notice issued under Section 466(1)(a) of the Companies Act 2016.

Wabina had subsequently applied for Judicial Review proceedings to set aside the Companies (Exemption) (No. 2) Order 2020. The Judicial Review proceedings is mainly against Malaysia Government and in particular, the Ministry of Domestic Trade and Consumers Affairs. However, SPKL was named as a respondent in the Judicial Review proceedings since Wabina is alleging that the Companies (Exemption) (No. 2) Order 2020 is preventing Wabina from presenting a winding-up petition against SPKL within 21 days of service of a Section 466 statutory notice demanding for payment of the adjudicated sum. The matter is now fixed for case management on 19 October 2020.

40. SIGNIFICANT EVENT

The World Health Organisation declared the 2019 Novel Coronavirus outbreak ("COVID-19") a pandemic on 11 March 2020. This was followed by Federal Government issuing a Gazetted Order known as the Movement Control Order ("MCO") which was effective for the period from 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May 2020 to 9 June 2020. Subsequently, Recovery Movement Control Order ("RMCO") was gazetted which is effective for the period from 10 June 2020 to 31 December 2020.

As at the date of this report, the financial impact of the COVID-19 outbreak to the Group cannot be reasonably estimated due to the inherent unpredictable nature and rapid development relating to COVID-19. As such, the directors will continue monitoring the situations closely and responding proactively to mitigate the impact towards the Group's operations.

Based on the assessment and information available at the date of this report, the Group has sufficient working capital to sustain its business operations and to continue its business as a going concern. Cost cutting measures have been taken to minimise the potential impact arising from this pandemic.

41. EVENT AFTER THE REPORTING PERIOD

Seal Management Sdn. Bhd. ("SMSB"), a subsidiary of the Company, has opted not to renew the tenancy agreement between SMSB and CIMB Islamic Trustee Berhad for the lease of Selayang Mall Shopping Centre with effective from 1 July 2020.

LIST OF PROPERTIES
AS AT 30 JUNE 2020

Location of property	Date of Acquisition/ (Age of Building)	Area	Tenure	Description/ Existing Use	Carrying Amount (RM)
H.S.(M) 15224 to H.S.(M) 15233 Lot No. 20689 to Lot No. 20698 H.S.(M) 15234 to H.S.(M) 15238 Lot No. 20700 to Lot No. 20704 H.S.(M) 15249 to H.S.(M) 15267 Lot No. 20712 to Lot No. 20730 H.S.(M) 14590, Lot No. 20688 H.S.(M) 11782, Lot No. 20699 H.S.(M) 22243, Lot No. 20705 H.S.(M) 23415, Lot No. 20706 H.S.(M) 22004, Lot No. 20707 H.S.(M) 22248, Lot No. 20708 H.S.(M) 23261, Lot No. 20709 H.S.(M) 23264, Lot No. 20710 H.S.(M) 23265, Lot No. 20711 and H.S.(M) 16394, Lot No. 20906 Mukim Sungai Petani Kuala Muda, Kedah	23/09/1999	6,951.75 sq.metres	Leasehold expiring in 2092	Vacant land for development	5,065,214
H.S.(M) 15268 to H.S.(M) 15308 Lot No. 20731 to Lot No. 20771 Mukim Sungai Petani Kuala Muda, Kedah	23/09/1999	5,886.52 sq.metres	Leasehold expiring in 2092	Vacant land for development	4,434,788
G.M. 5823 to G.M. 5827 Lot No. 146 to Lot No. 150 G.M. 5811 to G.M. 5820 Lot No. 134 to Lot No. 143 and G.M. 5810, Lot No. 132 Mukim Kuah Langkawi, Kedah	11/10/1999	1,841.00 sq.metres	Freehold	Vacant land for development	1,896,731
G.M. 5828 to G.M. 5833 Lot No. 151 to Lot No. 156 Mukim Kuah Langkawi, Kedah	11/10/1999	666.00 sq.metres	Freehold	Vacant land for development	722,867
G.M. 5834, Lot No. 157 and G.M. 5797 to G.M 5803 Lot No. 119 to Lot No. 125 Mukim Kuah Langkawi, Kedah	11/10/1999	940.00 sq.metres	Freehold	Vacant land for development	961,615
G.M. 5796, Lot No. 117 Mukim Kuah Langkawi, Kedah	11/10/1999	4,324.00 sq.metres	Freehold	Vacant land for development	4,518,030

LIST OF PROPERTIES (CONT'D)
AS AT 30 JUNE 2020

Location of property	Date of Acquisition/ (Age of Building)	Area	Tenure	Description/ Existing Use	Carrying Amount (RM)
Subsidiary companies					
Bayan City Jalan Mayang Pasir 3 11950 Bayan Baru, Penang	25/07/2013 & 15/03/2017	58 units	Freehold	Commercial & residential lot	60,080,000
"Kompleks Permaisuri Q" No 6, Jalan Sri Permaisuri, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur	02/04/2019 & 05/08/2019	57 units	Leasehold	Commercial & Office lot	55,180,000
H.S.(D) 122369 to H.S.(D) 122378 PT 99382 to PT 99391 Bandar Sungai Petani Kuala Muda, Kedah	19/01/2010	7,511.00 sq.metres	Freehold	Development	1,914,364
H.S.(D) 90454 PT 48857 Bandar Sungai Petani Kuala Muda, Kedah	05/03/2013	375,655.70 sq.metres	Freehold	Development	15,246,252
Lot No. 72020 Mukim 12, Daerah Barat Daya Penang	02/08/2017	2.91 hectare	Freehold	Development	77,417,425

STATEMENT OF SHAREHOLDINGS

Total number of shares issued	: 237,056,184 (Excluding 5,896,500 Treasury Shares)
Class of Shares	: Ordinary shares
Voting Rights	: One vote per ordinary share

BREAKDOWN OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2020

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	224	3.65	8,014	0.00
100 – 1,000	1,913	31.14	1,713,458	0.72
1,001 – 10,000	3,048	49.61	12,896,884	5.44
10,001 – 100,000	814	13.25	25,216,545	10.64
100,001 – 11,852,808*	140	2.28	113,478,083	47.87
11,852,809 and above**	4	0.07	83,743,200	35.33
TOTAL	6,143	100.00	237,056,184	100.00

Note : * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2020

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No.	%	No.	%
Dato' Sri Koay Teng Choon	54,811,200	23.12	4,867,100[1]	2.05
Kesan Anggun Sdn Bhd	20,000,000	8.44	-	-
Saw Seng Kew	-	-	20,000,000[2]	8.44
Yow Kar Wai	-	-	20,000,000[2]	8.44
Poly Dynamic Motion Sdn Bhd	13,364,200	5.64	-	-
Chuah Chong Ewe	1,075,000	0.45	13,364,200[3]	5.64

Remark:

1. Deemed interest by virtue of his immediate family interest.
2. Deemed interest by virtue of his interest in Kesan Anggun Sdn Bhd.
3. Deemed interest by virtue of his interest in Poly Dynamic Motion Sdn Bhd.

DIRECTORS' INTERESTS AS AT 30 SEPTEMBER 2020

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors' interests in the ordinary share capital of the Company are as follows:

Name of Directors	Direct Interest		Deemed Interest	
	No.	%	No.	%
Dato' Sri Koay Teng Choon*	54,811,200	23.12	4,867,100[1]	2.05
Datuk Tan Hiang Joo	29,000	0.01	-	-
Yow Yan Seong	3,008,400	1.27	1,733,000[1]	0.73
Tuan Haji Abdul Hamid Bin Mohd Hassan	-	-	-	-
Allen Chee Wai Hong	-	-	-	-
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	-	-	-	-

Remark :

1. Deemed interest in shares through the shares held by immediate family member.

* By virtue of his interest in the shares of the Company, Dato' Sri Koay Teng Choon is deemed to have an interest in the shares of all its related companies to the extent that the Company has an interest.

LIST OF TOP THIRTY SHAREHOLDERS
AS AT 30 SEPTEMBER 2020

	Name	Shareholdings	Percentage
1.	Amsec Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Accounts For Koay Teng Choon]	32,917,000	13.89
2.	Kesan Anggun Sdn. Bhd.	20,000,000	8.44
3.	Koay Teng Choon	17,462,000	7.37
4.	Poly Dynamic Motion Sdn. Bhd.	13,364,200	5.64
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. [Southern Corporation (Nibong Tebal) Sdn. Bhd. For Tan Lee Sim]	11,700,000	4.94
6.	Song Kim Lee	7,650,000	3.23
7.	Khor Chong Hai	5,719,000	2.41
8.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Accounts For Resolute Accomplishment Sdn. Bhd.]	5,660,300	2.39
9.	Lim Pei Tiam @ Liam Ahat Kiat	5,400,000	2.28
10.	Maybank Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Accounts For Triumphant View Sdn. Bhd.]	5,048,417	2.13
11.	Song Phaik Gim	5,000,000	2.11
12.	Koay Teng Choon	4,432,200	1.87
13.	Fang Pern Kok	3,700,900	1.56
14.	Fang Siew Poh	3,431,000	1.45
15.	Koay Shean Loong	3,000,000	1.27
16.	Yow Yan Seong	2,349,100	0.99
17.	See Lam Tean @ Tan-See Lam Tean	2,212,200	0.93
18.	Tee Ah Swee	2,019,700	0.85
19.	Ooi Goay Choo	1,910,000	0.81
20.	Fang Siew Poh	1,906,900	0.80
21.	Tan Guik Lan	1,867,100	0.79
22.	Lee Kah Soon	1,773,400	0.75
23.	Phuah Lee Pieng	1,683,600	0.71
24.	Sim Ah Seng	1,608,600	0.68
25.	Chai Mooi Chong	1,368,800	0.58
26.	Tee Ah Swee	1,197,400	0.51
27.	Hor Mei Seen	1,096,100	0.46
28.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [Bee Swee Seong]	1,003,100	0.42
29.	Jf Apex Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Accounts For Teow Wooi Huat]	1,000,000	0.42
30.	Quah Jo Leen	981,300	0.41
	TOTAL	168,462,317	71.09

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No. of shares held	
CDS A/C No.	
Telephone No.	

SEAL INCORPORATED BERHAD
196201000416 (4887-M)
(Incorporated in Malaysia)

FORM OF PROXY

I/We____(FULL NAME IN BLOCK CAPITALS)

NRIC No./ Company No. ______________________________________of____

____(FULL ADDRESS)

being a member of **SEAL INCORPORATED BERHAD**, hereby appoint the following person(s):

	Name of Proxy & NRIC No.	No. of Shares	Percentage %
Proxy 1			
Proxy 2			
	Total		

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Fifty-Eighth (58th) Annual General Meeting of the Company to be held on 3 December 2020 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution No.	Ordinary Business	For	Against
1	The payment of Directors' Fees		
2	The re-election of Datuk Tan Hiang Joo as Director		
3	The re -election of Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid as Director		
4	The re-election of Yow Yan Seong as Director		
5	The re-appointment of Grant Thornton as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
6	Authority to Allot and Issue Shares in General Pursuant to Section 76 of the Companies Act 2016		
7	Proposed Renewal of Share Buy Back Authority		

Please indicate with (√) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

....
Signature of Shareholder

NOTES:

1. In view of the outbreak of COVID-19 which is now a global pandemic, the Company has in place rules and control for the AGM in order to safeguard the health of attendees at AGM. You are requested to read and adhere to the Administrative Details issued by the Company.
2. Only members whose names appear on the Record of Depositors as at 26 November 2020 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
3. A member (other than an exempt authorised nominee) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies. A proxy must be 18 years and above and may but need not be a member of the Company.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/ authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
7. The instrument appointing a proxy must be deposited at the office of the Share Registrar of our Company, Boardroom Share Registrar Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the Meeting, either by hand, post, courier, electronic mail to BSR.Helpdesk@boardroomlimited.com or fax (603)78904670, or otherwise the instrument of proxy should not be treated as valid.
8. For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
9. Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

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80 SEN
STAMP
(Within
Malaysia)

The Share Registrar
SEAL INCORPORATED BERHAD
196201000416 (4887-M)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

SEAL
INCORPORATED BERHAD
196201000416 (4887-M)
55A Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak.
Tel : 05-547 4833   Fax : 05-547 4363
www.sib.com.my