SEAL
INCORPORATED BERHAD



FLOURISHING

WITH SUSTAINABILITY

ANNUAL REPORT 2021

CONTENTS

02	Corporate Information
03	Financial Highlights
04	Management Discussion and Analysis
06	Sustainability Statement
16	Profile of Directors
23	Senior Management Team
25	Corporate Governance Overview Statement
37	Audit Committee Report
40	Statement on Risk Management and Internal Control
42	Statement on Directors' Responsibilities In Relation to the Financial Statements
43	Additional Compliance Information
44	Financial Statements
119	Group Properties
121	Analysis of Shareholdings
124	Notice of Annual General Meeting
130	Administrative Guide
enclosed	Proxy Form

Cover Rationale

A traditional symbol of inner strength and prosperity, the clover plant takes centrestage and grows sturdily skyward to blossom into full glory. Taking the place of the letter 'i' in "Flourishing" to express agility and movement, the elegant botanical creation expresses the beauty of Seal Incorporated Berhad and its subsidiary companies ("the Group") constant dynamism as the Group stays ever agile in exploring new opportunities on the market horizons to unlock constant growth. Always striving towards excellence, the Group remains deeply rooted to its values of teamwork, innovation and social responsibility, bolstering its manpower to maximise each and every team member's potential while never forgetting to inspire solidarity and spirit of giving to the local community.

Adopting agility and resilience has enabled the Group to tackle the uncertainties brought on by the Covid-19 pandemic. While it could not have fully prepared itself for the scope and scale of pandemic-related changes, the Group has remained flexible and agile, implementing swift and timely strategies to react to new challenges, to stand strong and sustainable in the new economic and social landscape.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tuan Haji Abdul Hamid bin Mohd Hassan
Chairman, Executive Director

Koay Shean Loong
Executive Director

Datuk Tan Hiang Joo
Senior Independent Non-Executive Director

Chee Wai Hong
Independent Non-Executive Director

Datin Sri Tan Guik Lan
Non-Independent Non-Executive Director

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

Yow Yan Seong
Independent Non-Executive Director

Tan Seong Hooi
Independent Non-Executive Director



AUDIT COMMITTEE

Chairman
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
Datuk Tan Hiang Joo
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
Chee Wai Hong

SECRETARIES

Lim Choo Tan (LS 0008888)
(SSM PC No. 202008000713)
Chew Siew Cheng (MAICSA 7019191)
(SSM PC No. 202008001179)

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54 Jalan Sultan Ahmad Shah
10050 George Town, Pulau Pinang, Malaysia
Tel No. : +604-2296318/ 2288155
Fax No.: +604-2282118

SHARE REGISTRAR

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 Malaysia PLT (201906003682)
Level 5 Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

PRINCIPAL 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

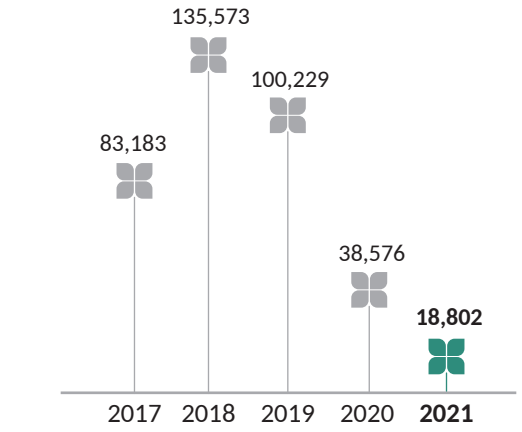
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code: 4286
Stock Name: Seal

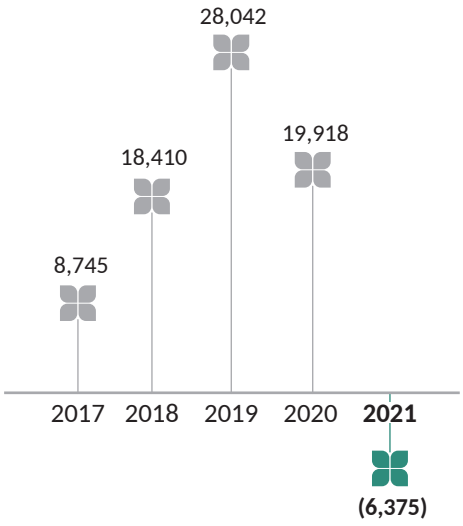
FINANCIAL HIGHLIGHTS

Year	2017	2018	2019	2020	2021
Revenue (RM'000)	83,183	135,573	100,229	38,576	**18,802**
Profit/(Loss) before tax (RM'000)	8,745	18,410	28,042	19,918	**(6,375)**
Profit/(Loss) after tax (RM'000)	824	14,318	19,844	16,161	**(10,436)**
Profit/(Loss) attributable to:					
owners of the parent (RM'000)	(9,037)	14,853	19,801	16,070	**(10,383)**
non-controlling interests (RM'000)	9,861	(536)	43	91	**(54)**
Total Assets (RM'000)	358,013	397,483	429,488	457,676	**428,656**
Shareholders' equity (RM'000)	252,219	266,868	286,669	302,739	**292,356**
Basic earnings/(losses) per share (sen)	(3.98)	6.27	8.35	6.78	**(4.38)**
Net assets per share (RM)	1.06	1.13	1.21	1.28	**1.23**

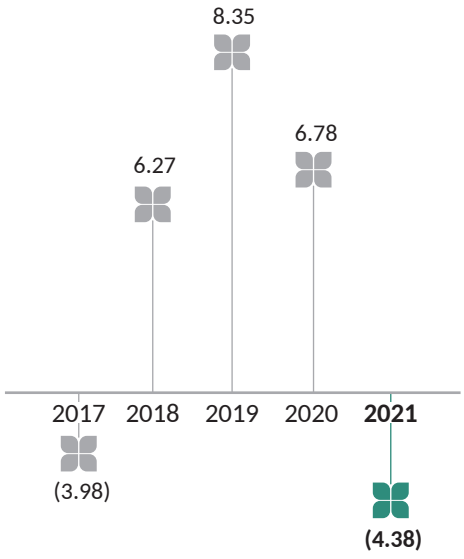
REVENUE (RM'000)



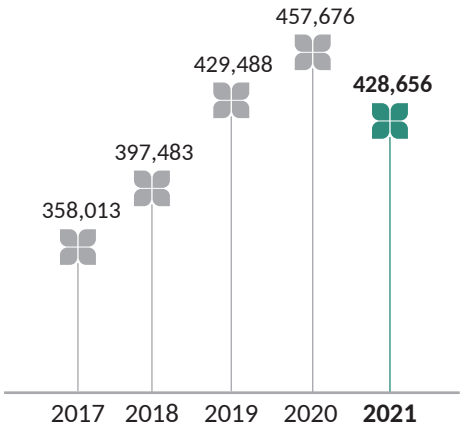
PROFIT/(LOSS) BEFORE TAX (RM'000)



BASIC EARNINGS/(LOSSES) PER SHARE (SEN)



TOTAL ASSETS (RM'000)



MANAGEMENT DISCUSSION & ANALYSIS

Group's Business and Operation Overview

Starting as a group involved in integrated timber business, Seal Incorporated Berhad ("the Company") and its subsidiary companies ("the Group") has not only transformed itself and successfully diversified into construction and property industries with a full spectrum of related businesses namely property development, property management, property investment and building construction but also extended its reach to the Klang Valley region through its maiden turnkey construction project, namely Queensville, located in the heart of Bandar Sri Permaisuri, Cheras, Kuala Lumpur, of which Phase 1 has been successfully completed and delivered. Preparatory works for the construction of other phases of Queensville is under way and the construction works are expected to commence in 2022.

The prevailing Covid-19 pandemic has brought about unprecedented challenges and uncertainties not only to the world as a whole but also to every single business. The Group was no exception as its business operations were severely interrupted and adversely affected. As mentioned in our Annual Report 2020, the Group has decided not to renew the lease of Selayang Mall, which expired on 30 June 2020, as the pandemic has brought the retail business to a standstill and no longer financially viable to continue the lease. Other businesses of the Group are also hampered by the continuous imposition of the Movement Control Order ("MCO") by the Malaysian Government ("Government") across the nation. Nevertheless, the Group will continually strategise its existing businesses to ensure that the disruption of its operations from the pandemic is contained to a minimal level. Concurrently, the Group will continue to explore and look out for other potential business opportunities to further enhance its business portfolio in particular the property development segment in which opportunities arise for sourcing strategically located properties at competitive pricing resulted from the repercussion of the Covid-19 pandemic.

Financial Performance Review

For the financial year ended 30 June 2021, the Group recorded a revenue of RM18.8 million, a decrease of RM19.8 million from prior year. Lower revenue reported was a direct effect of the Group's exit from its property management of Selayang Mall after the non-renewal of its lease and the completion of Queensville Phase 1 in 2020, which was partially offset by the increase in property investment income as a result of higher occupancy rate achieved for its investment properties, higher income from timber-related businesses as well as the sale of completed development properties.

The Group also recorded a loss before tax of RM6.4 million for the year 2021, a swing from a profit before tax of RM19.9 million reported in prior year, which was mainly attributed to a non-recurring fair value gain of RM17.1 million recognised for its investment properties in prior year and additional costs incurred during the year resulting from the unilateral termination of construction contract by a main contractor.

On the revenue by segments, property development and construction are the main drivers, contributing approximately 54.7% to the Group's revenue, whereas property management and property investment have a share of about 25.9% while the timber-related businesses contributed approximately 16.0%.

Corporate Proposals

The Group has announced on 27 May 2021 that it proposed to undertake a private placement of up to 47,411,000 new ordinary shares in the Company, representing not more than 20% of the existing issued share capital (excluding treasury shares) of the Company at an issue price to be determined at a later date ("Proposed Private Placement"). The Proposed Private Placement would be undertaken in accordance with the general mandate approved by the Shareholders of the Company at its Annual General Meeting duly convened on 21 December 2020, pursuant to Sections 75 and 76 of the Companies Act 2016.

Out of the total 47,411,000 new ordinary shares approved under the Proposed Private Placement, 23,000,000 new shares were placed out to third parties at an issue price of RM0.346 each and the new shares were successfully listed on Bursa Malaysia Securities Berhad on 13 September 2021.

The Proposed Private Placement is expected to be completed in the second financial quarter of 2022.

MANAGEMENT DISCUSSION & ANALYSIS

Market Outlook

Bank Negara Malaysia reported that it has revised the Gross Domestic Product forecast for Malaysia to between 3.0% to 4.0% from the previous forecast of between 6.0% and 7.5% for year 2021. Weak growth was recorded across all economic sectors with the imposition of a nationwide Full Movement Control Order ("FMCO") in June 2021 by the Government coupled with the rising Covid-19 infections which hamper economic recovery. Non-essential businesses were closed during the FMCO period. However, with a clearer perspective from the Government's National Recovery Plan, there will be a gradual lifting of restrictions which will pave the way for a modest recovery later this year.

Ever since the COVID-19 outbreak, the global and local markets have been impacted and clouded with economic uncertainties. The Malaysian property development and construction industry have been severely affected by the disruption caused by the pandemic. The industry's output has shrunk, as property development and construction activities were brought to a standstill nationwide, owing to the strict measures taken by the Government to contain the spread of COVID-19.

Business Prospects Moving Forward

It has been a challenging year for the Group as a result of the constant delays and operational disruptions caused by the recurring waves of the pandemic and the nationwide MCO and FMCO imposed by the Government. Nevertheless, the Group expects economic conditions and business activities to improve in the foreseeable future as vaccine roll-out program has gained momentum towards herd immunity and the National Recovery Plan mapped out by the Government to open up economic sectors by the end of year 2021.

With rightsizing and cost-control measures in place, the Group will be able to conserve its cash position while relying on its recurring income streams for near term sustenance and will ride on the downtime in economic activity to re-assess the most opportune time to roll out its next development plan for expansion. The Group is optimistic about new business opportunities in the near future for the expansion of the Group's businesses and future income stream.



SUSTAINABILITY STATEMENT

Seal Incorporated Berhad ("the Company") and its subsidiary companies ("the Group") is committed to create value for all its stakeholders: customers, suppliers, employees, shareholders, business partners, communities and the environment. The Group aims to adopt good sustainability practices, to reduce environmental impacts of its activities, and help its purchasers to do the same. By doing so, the Group believes its products and solutions will benefit its customers, workers and support their wellbeing. The Group consults and collaborates with professionals and innovators across disciplines to improve and enhance its products and solutions.

To summarise its initiatives in the sustainability front, the Board of Directors ("the Board") is pleased to report on the Group's sustainability objectives, strategies and activities material to the Group, the way the Group manages it and other efforts undertaken to complement the Group's sustainability objectives.

This Sustainability Statement ("Statement") is an update of the preceding financial year's Sustainability Statement. This Statement reporting framework is guided by Global Reporting Initiative ("GRI") Standards as encouraged by Bursa Malaysia Securities Berhad ("Bursa Securities").

Scope and Coverage

This Statement covers sustainability activities and its results in the Group for the financial year ended 30 June 2021 ("FY2021") in the context of Economic, Environmental and Social. It includes the Company and all its subsidiaries located in Malaysia. The Statement covers its main business division, construction with its disclosure focused on sustainability initiatives of its largest revenue contributing project, Queensville Phase 1 located in Bandar Sri Permaisuri Cheras, Kuala Lumpur.

Governance

Key to a sustainable business is a strong sustainability governance structure. The Group's sustainability structure together with operating standards and internal controls help its business implement sustainability strategy across the business, manage goal setting, decision-making process, strengthen relations with external stakeholders and ensure overall accountability.

The roles of each level of the structure are as follows:

Board of Directors	Executive Director	Sustainability Working Group
Endorse sustainability policies and overall oversight	Direct and review sustainability policies	Identify and engage with stakeholders, manage material sustainability matters, ideation, execution and monitoring

The Board holds the ultimate responsibility for the implementation and monitoring of all aspects of sustainability for the Group. It provides both oversight and leadership to ensure that the organisation's sustainability strategy supports long-term value creation for all its stakeholders. The Board comprises two (2) Executive Directors, five (5) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board has tasked the Executive Directors ("ED") to review, deliberate and approve the Group's sustainability strategy and initiatives. Sustainability strategies and initiatives put forward by the ED must be endorsed by the Board. The Sustainability Working Group ("SWG") comprises two (2) ED, General Manager and various Head of Department ("HOD").

The SWG, identifies and engages with relevant stakeholders, determine and manages material sustainability matters, proposes sustainability initiatives, implement and monitors the Group's sustainability agenda.

SUSTAINABILITY STATEMENT

Sustainability Policy

Developed in financial year ended 30 June 2014, the Sustainability Policy emphasises on the framework for Economic, Environmental and Social ("EES") and sustainability principles. This policy ensures the Group achieves a sustainable long-term balance and growth between meeting the business goals and preserving the environment while reducing the consumption of raw materials, labour and production costs. The focus areas include:

a) Market place
b) Workplace
c) Community
d) Environment

Stakeholder Engagement

Communication serves as basic component of good corporate governance. It operates to build a trust relationship the Group maintains with its stakeholders. The Group engages with its stakeholders through various means of communication to enable them to understand its business operations and to be able to create long-term value across its stakeholders. The Group seeks their feedbacks and input on several matters important to them. The stakeholders are identified through issues which are material based on their impact to the Group's operations and the number of stakeholders affected.

The table below describes the Group's stakeholder engagement approaches, focused areas relevant to its stakeholders and frequency of its engagement with the stakeholders in FY2021:

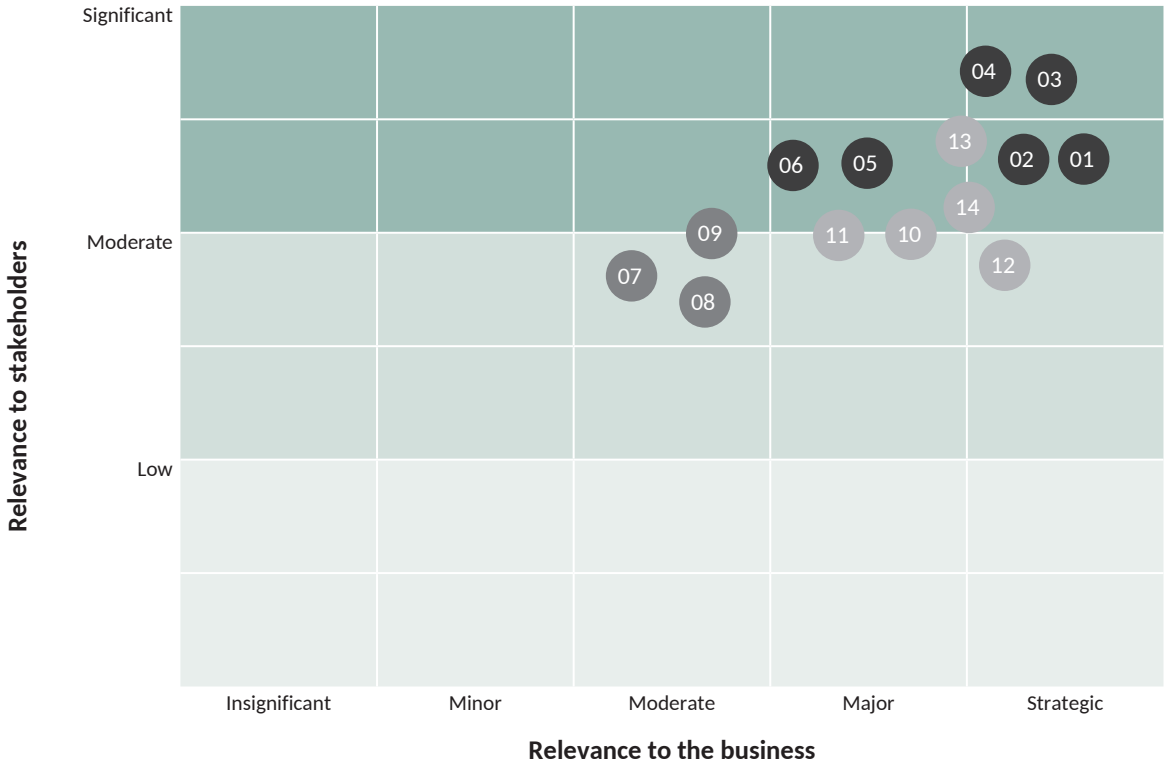
Stakeholders	Focus Areas	Engagement approach	Frequency
Customers	• Product quality and pricing • Market demand • Product development and innovation	• Quality assessment • Customers' feedback	• On-going • Ad-hoc
Employees	• Employee health and safety • Career development and advancement • Communication and engagement	• Internal communications • Performance appraisals • Operational meetings and discussions • Safety at work meetings • Social events with employees • Trainings	• On-going • Annually • On-going • On-going • Ad-hoc • On-going
Vendors and suppliers (including contractors)	• Product quality • Customer service and complaints resolution	• Site visits • Suppliers' performance evaluations • Meetings and discussions	• On-going • Annually • On-going
Shareholders and investors	• Financial performance • Regulatory compliance • Corporate governance • Ethical business conduct • Internal control and risk management	• Annual General Meeting • Financial announcement and reporting • Corporate website	• Annually • Quarterly • On-going
Government regulators and authorities etc	• Regulatory compliance • Approvals and permits • Standards and certifications	• Meetings and consultations • Training programmes and dialogue	• Fortnightly • Ad-hoc
Local communities	• Community wellbeing • Community investment	• General meetings • Company website	• Annually • On-going

SUSTAINABILITY STATEMENT

Materiality Sustainability Matters

In FY2021, the materiality assessment was conducted by the SWG. These sustainability matters were then assessed based on their relevance, importance to the Group's business and internal and external stakeholders.

Guided by Bursa Securities Sustainability Reporting Guide and Toolkits, they were then compiled and mapped into a materiality matrix. A total of 8 key sustainability matters were identified and evaluated based on its influence on the Group's stakeholders and business are as shown in the profile below:



01	Financial Performance	02	Market Presence	03	Anti-bribery and Anti-corruption
04	Product and service quality	05	Supply Chain	06	Cybersecurity
07	Energy and Greenhouse Gas Emission	08	Waste Management	09	Environmental Compliance
10	Diversity and Equal Opportunity	11	Staff Welfare	12	Training and Development
13	Occupational Safety and Health	14	Local Community		

Economic

Walking the talk in our sustainability journey, the Group developed and implemented a corporate-wide strategy for business sustainability that include stakeholders' interests consideration. While the Group is mandated to achieve commercial success, it is committed to protect the natural environment and improve quality of life for future generations.

The Group's mission is to deliver quality houses that exceed expectations of the community. The Group is aware that this is achievable through resource minimisation. With this understanding, the Group's list of mission is as follow:

- Maintaining effective cost control and profit maximisation
- Capitalising opportunities to achieve the best results in both commercial and social roles
- Building and training human resources for constant progress
- Inspiring the value of teamwork for smooth co-operation and workflow
- Staying focused and keeping speed on par to enhance productivity.

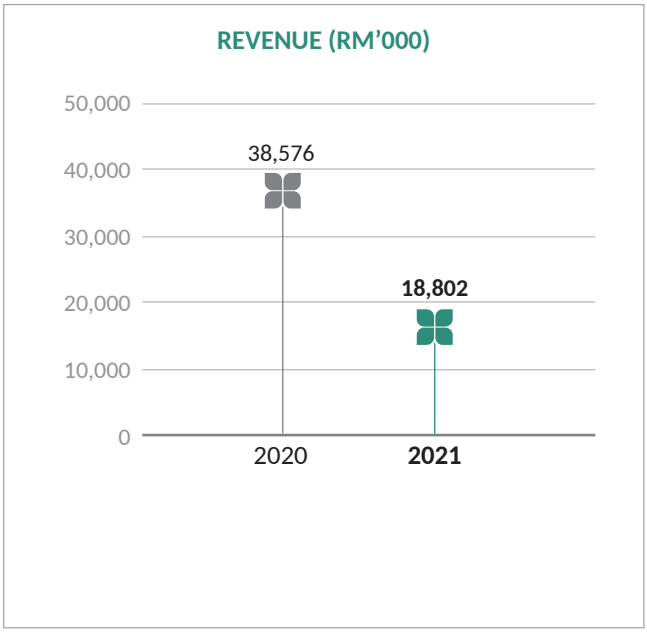
SUSTAINABILITY STATEMENT

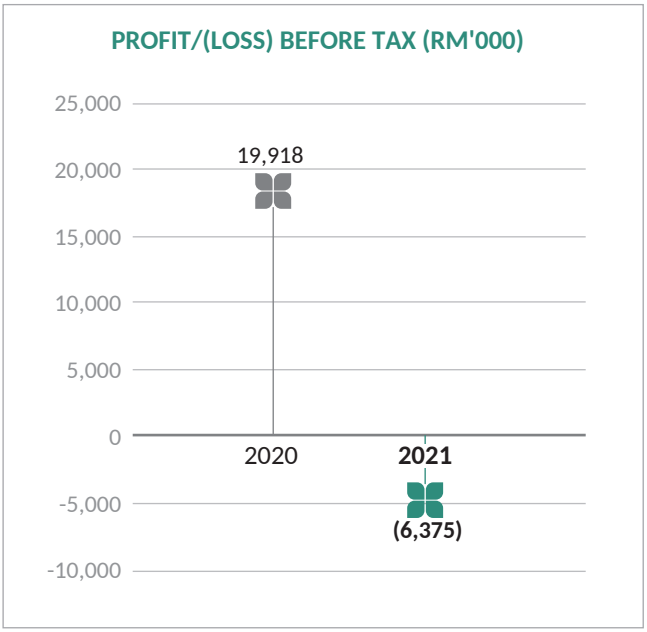
Economic

Financial Performance

The Covid-19 pandemic was known to have created significant adverse impact to the local and global economy across the sectors, with various stages of Movement Control Order ("MCO") imposed by the Malaysian Government ("Government"), and the Group has not been spared the fall-out from the pandemic during FY2021.

For FY2021, the Group recorded revenue of RM18.8 million (FY2020: RM38.6 million) and loss before tax ("LBT") of RM6.4 million (FY2020: Profit before tax ("PBT") of RM19.9 million). The Group has taken various efforts and focused to achieve better profits and growth of its business. The Group is confident that the potential profits of the businesses are intact, and it is positioned to benefit from any recovery in the market as and when it comes.





Complete Audited Financial statements for FY2021 are presented in pages 52 to 118 of this Annual Report. For the details and analysis of our financial results, please refer to the Management Discussion and Analysis in pages 04 to 05 of this Annual Report.

Market Presence

Established in 1962, the Group has evolved to become one of Malaysia's leading property developers. Over the years, the Group has expanded its local presence from its previous focus on the northern region of Malaysia to our capital city of Kuala Lumpur in the west with the most recent Queensville Phase 1 project. This was made possible due to the continuous recognition in delivering quality services and products with consideration to utmost ethical standards.

Anti-Bribery and Anti-Corruption Policy

The Group is committed to being in compliance with the laws and regulations issued by the regulators and authorities and applies comprehensive standards of ethical conduct and level of integrity in its business activities and operations.

The Group does not tolerate any form of bribery or corruption. The adoption of Anti-Bribery and Corruption Policy in June 2020 clearly demonstrated that the Group embraces zero-tolerance to bribery and corruption consistent with its objectives. This is also in line with the laws of the Guidelines on Adequate Procedures through Malaysian Anti-Corruption Commission ("MACC") Amendments Act 2018.

This Anti Bribery and Corruption policy is available on the Company's website at www.sib.com.my/corporate-governance.php.

SUSTAINABILITY STATEMENT

Economic

Whistleblowing Policy & Guidelines

In promoting zero tolerance towards fraud, corruption and other forms of unethical behaviour or conduct, the Company has put in place a mechanism as stipulated in the Whistle Blowing Policy & Guidelines which is accessible by its employees and third parties. The Group encourages any suspected misconduct or wrongdoings, or any such suspected instances to be reported to the Chairman or any member of the Audit Committee.

In FY2021, there was zero incident (2020: Nil) on whistle blowing cases in relation to ethical business practices or suspicious corruption or unethical behaviour reported to the Chairman or any member of the Audit Committee. The Group will continuously review its policies and processes to enable the compliance of the standards.

The Whistle Blowing policy and the process of how to report any suspected cases are available on the Company's website www.sib.com.my/corporate-governance.php.

Product and Service Quality

As a service provider, strong branding image and positive reputation, backed by consistent product and service quality are key to meet customers' expectation at all times, the Group places its products and service quality on par with other ESG matters. The Group embraces continuous improvement of its processes involving all departments and senior management team to discuss challenges, identification of root causes and action plans, and monitors the progress of implementation to achieve work efficiency and eliminate waste.

Procurement

The Group is aligned with the Government's policy to buy local products and services, it supported the movement by buying local for its projects and developments. Where the projects operate in Malaysia, the Group utilises local vendors, service providers and suppliers and believes this indirectly generates a positive multiplier effect to local businesses and communities in and around the Group's developments. Without the need to ship from abroad, the Group essentially registers lower carbon footprint while enabling local supply chain growth.

Vendors and suppliers are assessed based on a systematic evaluation process, embedded in the Procurement Policy, by the procurement team and end users. Embracing constant engagement with its vendors is part of the Group's processes, as it will not only promote productive working relationship but meeting specific needs and quality expectation too. The Group hopes the practices will create a sustainable supply chain in the upcoming engagements.

Cybersecurity

The Group is fully conscious that cybercrime in the current digital era is likely to increase. As the technology advances, cybersecurity also progresses and so do the cybercriminals attacks. In handling the cybersecurity attacks, the Group addresses cybersecurity risks with its employees and train them to handle the attacks. Good security awareness training is important for the staff to always be on the lookout for potential threats.

The Group believes that with a collaborative approach, its employees is able to assist the Group towards keeping it safe from any unsuspicious activities that might lead to a breach.

In FY2021, there was no security incidents that occurred in the Group. (FY2020: Nil)

SUSTAINABILITY STATEMENT

Environment Sustainability

Climate Change

For the past few years, global temperature has been consistently among the hottest on record. The Group recognises the potential impact of human activities on the recent exponential change in global temperature and climate related issues. Thus, the Group is actively taking steps to lower its carbon emissions and is open to ideas in providing solutions towards building a low carbon society.

As Malaysia's leading property developer, the Group prepares itself to work towards reducing its carbon footprint locally and at a global level too. The Group sets priorities on climate action plans and strive to explore sustainable solutions embedded as part of its operations.

At the construction site, composite timber decking became the Group's main material choice. The composite timber decking which was manufactured using approximately 89% of recycled materials, offers better ecological sustainability to timber. Apart from providing a superior longevity to that of any timber counterpart, the board is stronger, more resilient, recyclable, and far safer too.

Energy and Water Management and Greenhouse Gas Emissions

Measures are undertaken in managing the use of the resources like clean water and electricity. The Group improvise its design to its processes and explore avenues to constantly monitor its energy consumption across its operations to improve energy efficiency.

It is a strategic decision to entail lesser energy consumption, wastages from construction sites, and at the same time generating additional income that contributes positively to the Group.

Other initiatives that we implemented to reduce the overall electricity and water consumption are as follow:

a) Adopting digitalisation and paperless processing in our workplace, where the use of papers was greatly reduced and eliminated, in certain circumstances. We conducted our meetings virtually and teleconference calls between employees and vendors or suppliers.

b) Practice saving electricity by using energy in the most efficient manner. For our Queensville Phase 1 project, the Group incorporated the building design with 'green' features such as enhanced natural lighting during daytime. The Group also utilises LED lightings, which consumed far less electricity as compared to conventional lightings.

   The Group's offices, including its head office in Penang, uses a Variable Refrigerant Volume system for its air conditioners, which sets the room temperature to achieve maximum energy efficiency.

c) Rainwater harvesting, which is a cost-effective system of collecting and storing rainwater, has been used for various purposes, including cleaning and watering plants at Queensville Phase 1 project's site.

Waste Management

The Group's waste management strategies are focused on source reduction. The Group continuously explore areas for improvement with the objective to minimise resource consumption at source. These involved adjustment to raw material consumption parameters, technical re-engineering and solution for process improvement, and collaboration with suppliers to achieve material optimisation and minimisation.

From a property development perspective, the Group consistently strives to ensure that it fulfils statutory requirements, with all its construction, building wastes and effluent handled by professional waste management vendors that are licensed by local authorities.

In FY2021, the Group prepared a waste management plan to minimise the generation of waste material. It started with the monitoring of waste production and waste flow with the objective to reduce the waste that is produced, and recycled waste material, if allowable and if not, dispose of the waste in accordance with regulations.

SUSTAINABILITY STATEMENT

Environment Sustainability

Waste Management (Cont'd)

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, the Group'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. The Group's employees have also been inculcated with waste minimisation 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.

The Group is pleased to highlight that it did not received any complaints or penalties by the authorities for improper waste management related to its development projects during the financial year under review. (FY2020: Nil).

Environmental Compliance

As a construction company, the Group is mindful of incorporating 'green' aspects into its design elements including innovations that can reduce consumption of water, energy and raw materials. The Group 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.

In accordance with the Group's Environmental Management Procedure at its project sites, initiatives were taken to safeguard the environment. These included 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.

The Group uses low or near-zero Volatile Organic Components paints, solvents, adhesives to protect air quality; ensures building insulants have zero ozone-depleting potential; and as much as possible, the recycled materials within the construction process.

There was no incident of non-compliance with environmental laws and regulations and the Group has not been penalised or fined for any environmental violation in FY2021. (FY2020: Nil)

Social Investment

Diversity and Equal Opportunity

The Group recognises that workforce is the main underlying factor in achieving a sustainable future thereby, a collaborative, multidisciplinary approach is required to effectively tackle workforce issue.

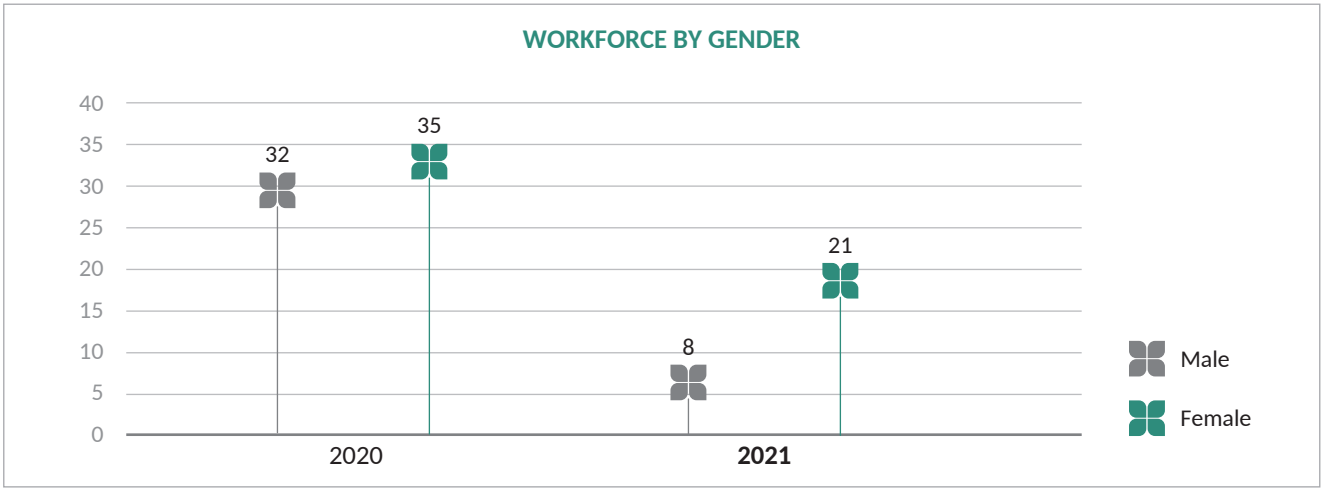
The Group promotes diversity and equal opportunity to all its employees, regardless of gender, age, race, religion and background. The Group recognises the value of each of its talented individuals who carry their own unique perspectives, ideas and experiences, which in turn will enable the Group to succeed in achieving its business goals.

In FY2021, the Group's workforce comprises of 28% of male (FY2020: 48%) and 72% of female (FY2020: 52%). The Group continues to exercise prudence in ensuring that it hires the best candidates purely based on their experiences, competence and their future potential to grow, free of any biasness.

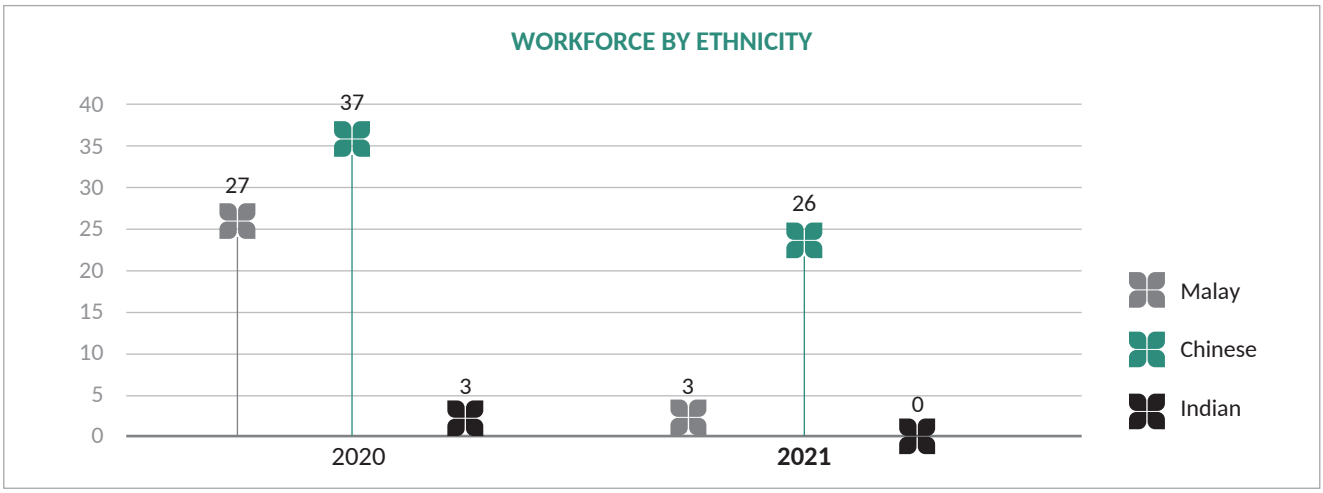
Social Investment

Diversity and Equal Opportunity (Cont'd)

Due to the non-renewal of the lease of Selayang Mall Agreement in financial year ended 30 June 2020 ("FY2020"), the Group regrettably had to retrench a significant portion of its workforce, particularly those in the property management division. Hence, this resulted in the notable reduction of its overall workforce in FY2021 to 29 (FY2020: 67).



The Group understands the significance of contributing back to the communities by way of job creations and boosting the local economy. Being part of the Malaysian property development and construction sector, the Group is proud to say that 100% of its employed workforce are all Malaysians.



Staff Welfare

In its continuous efforts to recognise the employees' contribution to the Group's success, it ensures that its employees are offered competitive remuneration packages beyond the requirement of Employment Act 1955, which includes benefits ranging from hospitalisation and surgical insurance plan, personal accident insurance plan, annual leave benefits and various allowances.

Medical	Allowances	Leave
• Medical claims • Hospitalisation & surgical scheme • Personal accident scheme	• Travelling allowance • Telephone/mobile phone claims • Overseas work claims	• Maternity leave • Compassionate leave • Annual leave • Sick leave

Source: Extracted from Employee Handbook

SUSTAINABILITY STATEMENT

Social Investment

Training and Development

The Group is cognisant of the importance of fostering a strong learning culture to maintain a high level of competence and expertise amongst its employees. The Group supports its talented employees by enabling them to develop their technical and professional skills through various internal and external training programmes and development opportunities. The Heads of Department play an important role in assisting its employees in identifying their training needs with the aim of ensuring that they are well equipped with the relevant skills and knowledge required for the Group's daily business operations.

The Group has also organised health and safety training programmes with the aim to disseminate important information with regards to the Covid-19 pandemic. This is to ensure that the Group's workforce is well-informed of the latest development regarding the coronavirus and that the appropriate safety and health precautions are being practised at all times.

The table below summarises the training programmes which have been organised during FY2021:

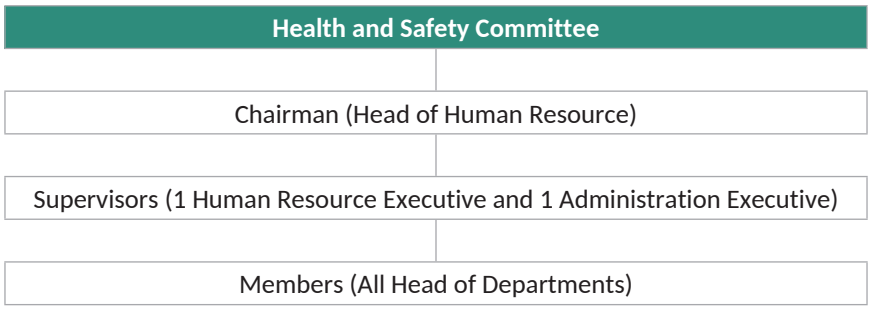
Training Category	FY2021		FY2020	
	Number of Pax	Training Hours	Number of Pax	Training Hours
Technical and Professional Development	39	109.5	23	134
Soft Skills and Personal Development	-	-	6	13
Health and Safety	86	86	37	74
TOTAL	**125**	**195.5**	**66**	**221**

Occupational Health and Safety

The Covid-19 pandemic has certainly engrained its mark upon all lives and business operations across the globe. In such a circumstance, the Group believes that it is of utmost importance that the safety and health of its employees, customers as well as the communities that it engages with, continue to be integrated into its daily business operations.

In its relentless endeavour to provide a safe and healthy environment for its employees to work in, the Group's Health and Safety ("HS") Committee was established with the aim to provide effective and sound HS management system encompassing General Health & Safety policies in the Group's business operations. The committee supports the Group to ensure that it has controls needed to set a high workplace health and safety standards.

The Group's HS Committee is headed by a Chairman, assisted by two (2) Supervisors and supported by members who are the Head of Departments.



The HS Committee consistently reviews, monitors and improves the safety and health procedures where necessary, to ensure that the Group is consistently in compliance with the regulatory requirements and industry best practices in its daily operations.

SUSTAINABILITY STATEMENT

Social Investment

Occupational Health and Safety (Cont'd)

Covid-19 Pandemic Response Plan

In light of the Covid-19 pandemic outbreak in early 2020, the Group is committed to enhancing its Standard Operating Procedures ("SOPs") to incorporate strict prevention and response measures to ensure that the workplace, especially the construction sites are safe to work in.

As per the guidelines established by the Ministry of International Trade and Industry, Ministry of Health and the Department of Occupational Safety and Health Malaysia, the Group has formulated a set of protocols that will govern its daily business operations in the new norm. The following are some of the established SOPs:

- Update MySejahtera application Covid-19 risk status and check-in daily and send screenshot to Human Resource department
- Daily temperature screening (prohibited entrance to premises for temperature of 37.5 ℃ or higher)
- Use of protective equipment such as face masks at all times;
- Limiting the number of employees and visitors in the workplace at any given time;
- Maintaining social distancing at work (1-2 meters apart); and
- Cleaning and disinfecting office premises common areas regularly, refilling hand sanitiser dispensers frequently, and disinfecting highly-touched items often.

Local Community

The Group has always regarded the local communities as one of the most important aspect in conducting its business. Being in the construction industry in particular, the Group is compassionate in upholding its responsibility to not only minimise the adverse effects of the activities that it carries out, but also to build meaningful relationships with the people whose lives are affected by them. It is an opportunity for the Group to give back to its community by helping them with matters such as fund raising and giving out care packages, especially to those who were affected by the recent Covid-19 pandemic outbreak.



In January 2021, the Group made contributions via donations to Persatuan Kebajikan Kanak-Kanak OKU Bayan Lepas, Pulau Pinang.



The Group also donated 8 Central Processing Units to SJK (C) Chin Hwa in April 2021.

PROFILE OF DIRECTORS



TUAN HAJI ABDUL HAMID BIN MOHD HASSAN

Chairman/ Executive Director

Age	83
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	7 February 2002

Tuan Haji Abdul Hamid bin Mohd Hassan ("Tuan Haji") was appointed as Deputy Chairman/ Independent Non-Executive Director of the Company on 7 February 2002 and re-designated as Deputy Chairman/Executive Director on 5 March 2002. On 28 September 2009, Tuan Haji assumed the position of Executive Chairman of the Company. Tuan Haji was a member of the Remuneration Committee but resigned from the position on 28 October 2016.

Tuan Haji obtained his Higher School Certificate from a local educational institution. He was attached to the Department of Inland Revenue for 33 years, heading several branches of the Inland Revenue before his retirement in June 1993 as its Deputy Director General. Subsequent to his retirement from the public sector, Tuan Haji joined Paramount Malaysia (1963) Sdn. Bhd. as its General Manager in July 1993 and left 4 years later, in August 1997. His career continued with See Hoy Chan Sdn. Bhd. group of companies as General Manager of the taxation division before his leaving in January 2002. Tuan Haji was the Vice President of the Chartered Tax Institute of Malaysia from 1993 to 2003 before his promotion as the institute's President, a position which he held until 2007. Having amassed over 40 years of experience in the field of taxation and senior management, Tuan Haji has brought with him invaluable knowledge and expertise to the Group.

Tuan Haji also sits on the Board of Great Eastern Mills Berhad ("GEMB"), a public company within the Group.

Tuan Haji does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company and GEMB, Tuan Haji does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



KOAY SHEAN LOONG

Executive Director

Age	27
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	21 December 2020

Mr. Koay Shean Loong ("Mr. Koay") was appointed to the Board as an Executive Director of the Company on 21 December 2020.

Mr. Koay graduated with Bachelor Degree in Finance and Marketing from Curtin University, Perth, Australia. He has extensive experiences in sales and marketing and property investments. He started his career as Internet Marketing Specialist and Service Marketing Specialists in Australia before joining a real estate company in Australia in the Sales and Marketing division. Upon his return to Malaysia, he joined the Group under the Sales and Marketing division in 2018 and was appointed as General Manager - Leasing, Sales and Marketing division on 7 October 2020 to be in charge of leasing and, sales and marketing activities of the Group's development projects.

In his current position as an Executive Director of the Company, Mr. Koay is instrumental in charting the growth and development of the Group. He oversees all operations and business activities of the Group to ensure that they achieve the desired results consistent with the Group's direction.

Mr. Koay does not have any conflict of interest with the Company. He is the son of Datin Sri Tan Guik Lan ("Datin Sri"), a Non-Independent Non-Executive Director of the Company. Other than Datin Sri, he has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company and Great Eastern Mills Berhad, a public company within the Group, Mr. Koay does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



DATUK TAN HIANG JOO

Senior Independent Non-Executive Director

Age	58
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	3 October 2014

Datuk Tan Hiang Joo ("Datuk Tan") was appointed as an Independent Non-Executive Direcor of the Company on 3 October 2014. He is also Chairman of the Company's Nominating Committee and Members of the Audit Committee and Remuneration Committee. On 4 October 2019, Datuk Tan was appointed as the Senior Independent Non-Executive Director of the Company.

Datuk Tan holds a Law Degree, LLB (Hons) from University of Malaya and is an advocate and solicitor with the High Court of Malaya. He has been in the legal practice since 1989 and is a partner of the legal firm, Syarikat Ng & Anuar. Notwithstanding his demanding legal practice, Datuk Tan also participates actively in the Penang Chinese Chamber of Commerce ("PCCC"), a local organisation established to primarily develop and further the interests of local companies and businesses in Malaysia. He helms the position of Deputy President of PCCC and acts an advisor of PCCC's Charity Fund Committee. Datuk Tan also sits on the Board of Directors of Han Chiang University College of Communication, Penang and Han Chiang High School, Penang.

Besides the Company, Datuk Tan also sits on the Board of Eupe Corporation Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad as its Independent Non-Executive Chairman.

Datuk Tan does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Datuk Tan has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



CHEE WAI HONG

Independent Non-Executive Director

Age	48
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	20 April 2012

Mr. Chee Wai Hong ("Mr. Chee") was appointed as an Independent Non-Executive Director of the Company on 20 April 2012. Mr. Chee is also Chairman of the Audit Committee and Members of the Remuneration Committee and Nominating Committee of the Company.

Mr. Chee holds a Law Degree, LLB (Hons) 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. Mr. Chee is also a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants. He is presently the Managing Partner of a legal practice in Penang.

Besides the Company, Mr. Chee also sits on the Board of Menang Corporation (M) Berhad, a public company listed on the Main Market of Bursa Malaysia Securities Berhad as its Independent Non-Executive Director.

Mr. Chee does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Mr. Chee has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



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

Independent Non-Executive Director

Age	80
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	27 February 2017

Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid ("Yang Teramat Mulia") was appointed as an Independent Non-Executive Director of our Company on 27 February 2017. Yang Teramat Mulia is also the Chairman of the Remuneration Committee and Members of the Audit Committee and Nominating Committee of the Company.

Yang Teramat Mulia graduated from Malay College Kuala Kangsar, Perak with Federation of Malaya Certificate of Education. He started his career in 1966 as a Malay language interpreter for the Magistrate's Court, Sessions Court and the High Court before his promotion as the Registrar of Sessions Court, Penang in 1980. Subsequently in 1994, he was appointed as Senior Registrar of the 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.

Yang Teramat Mulia does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company, Yang Teramat Mulia does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



DATIN SRI TAN GUIK LAN

Non-Independent Non-Executive Director

Age	50
Nationality	Malaysian
Gender	Female
Date of Appointment as a Director	7 January 2021

Datin Sri Tan Guik Lan ("Datin Sri") was appointed to the Board as a Non-Independent Non-Executive Director of the Company on 7 January 2021.

Datin Sri completed her high school education and has been holding senior management positions in several limited companies involve in trading and investment holding since 1999. She is principally involved in managing property investments and corporate matters.

Datin Sri does not have any conflict of interest with the Company. She is the mother of Mr. Koay, an Executive Director of the Company. Other than Mr. Koay, she has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company, Datin Sri does not hold any directorship in public companies and public listed companies. She has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.



YOW YAN SEONG

Independent Non-Executive Director

Age	55
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	4 September 2020

Mr. Yow Yan Seong ("Mr. Yow") was appointed as an Independent Non-Executive Director of the Company on 4 September 2020.

Mr. Yow holds a diploma in Japanese Language from Toshin Japanese Language School, Japan. He is the Managing Director of a private limited company involved in management and investment holding. He has vast experience in property development industry. Mr. Yow was also a Director of several private limited companies involved in property development.

Mr. Yow does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company, Mr. Yow does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

PROFILE OF DIRECTORS



TAN SEONG HOOI

Independent Non-Executive Director

Age	56
Nationality	Malaysian
Gender	Male
Date of Appointment as a Director	7 January 2021

Mr. Tan Seong Hooi ("Mr. Tan") was appointed as an Independent Non-Executive Director of the Company on 7 January 2021.

Mr. Tan obtained his unified examination certificate from an esteemed local educational institution. Mr. Tan is currently the Honorary Chairman of Penang Traditional Medicine Promotion Association. He is a veteran in the construction and property industry having considerable experiences as Project Manager managing diverse range of real estate developments for reputable international hotel chains, factories and infrastructure works. Mr. Tan's skills and expertise in this field have been much sought after across the border and he has overseen international projects of Shanghai World Trade Centre and Aberdeen Manila Club Hong Kong. He is also actively involved in a private company specialising in construction materials, building materials and hardware items for the construction industries.

Mr. Tan does not have any conflict of interest with the Company and he has no family relationship with any Director and/or major shareholder of the Company.

Other than the Company, Mr. Tan does not hold any directorship in public companies and public listed companies. He has no conviction for any offences within the past five years and does not have any public sanction or penalty imposed by the relevant bodies during the financial year ended 30 June 2021.

SENIOR MANAGEMENT TEAM

TEH GUAT CHENG

General Manager – Finance and Accounts Division

Ms. Teh Guat Cheng ("Ms. Teh") is the General Manager for Finance and Accounts division of the Group. She joined the Group as an Accountant in 2005. As an Accountant, she was involved in the preparation of accounts, budgets, and managing taxation and financial matters for the Group. Ms. Teh held the position of Accountant for 9 years before her promotion to Human Resource Manager in 2014. In 2018, she assumed the position of Assistant General Manager of the Group before her promotion to her current position in 2020. As the General Manager for Finance and Accounts division, Ms. Teh manages and oversee the daily operations of the Finance and Accounts department of the Group.

Ms. Teh graduated with a Certificate in Business Studies – London Chamber of Commerce and Industry International Qualification, United Kingdom. She has over 20 years of valuable experiences in professional accountancy, auditing, taxation, management and planning. Prior to joining the Group, she was attached to the audit divisions of established firms of Chartered Accountant, Kiat & Associates and Khoo Choon Keat & Associates.

TAN ZE NAN

Senior Manager - Project

Mr. Tan Ze Nan ("Mr. Tan") joined the Group as Senior Manager - Project in September this year. Mr. Tan heads the project team and proactively manages, plan and execute the Group's development projects.

Mr. Tan graduated from Bradford University in the United Kingdom ("UK") with Bachelor of Science. Upon his return from the United Kingdom in 1997, he started his career as a Supervisor with a construction company. He left the company 20 years later as a Project Director after having led numerous construction activities for prominent property development companies in Kuala Lumpur, Johor and Penang. During his 20 years of service, he has also assisted companies in winning numerous quality and safety awards. In year 2016, he joined a subsidiary company of a public listed company as Project Director and continued to work on projects awarded by dynamic and established property development companies.

Having amassed over 24 years of experience and completed more than 5000 units of residential and commercial properties in the field of construction for multiple award winning developers, Mr. Tan has brought with him immense knowledge and expertise to serve the Group.

SENIOR MANAGEMENT TEAM

TEOH CHIEW HOOI

Senior Manager - Group Contracts and Procurement

Ms.Teoh Chiew Hooi ("Ms. Teoh") joined the Group in April this year as Senior Manager - Group Contracts and Procurement. As Senior Manager, she is in charge of overseeing projects development, projects cost control and monitoring of contract administration during the pre and post contract stage.

Ms. Teoh graduated with Bachelor of Science (Housing, Building and Planning) (Honour) majoring in Quantity Surveying from University Science Malaysia. Ms. Teoh started her career as assistant Quantity Surveyor in 2005 before leaving to join a quantity surveying company as Project Executive a year later. She then developed her career across the causeway to work as a Quantity Surveyor for about a year before returning to Malaysia to work for well established public listed companies in the property development sector as Contract Manager and Senior Contract Executive. Ms. Teoh's career expanded further as she joined a dynamic home-grown property development company as Head of Group Contracts and Procurement Department for approximately 6 years before her leaving early this year to join the Group. As the Head of Group Contracts and Procurement, she was in charge of overseeing procurement processes and contract awarding processes. Ms. Teoh has brought with her laudable experiences to the department and the Group.

LEE HUEY SAN

Corporate Secretary

Ms. Lee Huey San ("Ms. Lee") joined the Group in August this year as Corporate Secretary to oversee the Group's company secretarial matters. Ms. Lee had her early trainings in company secretarial practices in former secretarial divisions of Deloitte and Ernst and Young, both being among the four largest professional services networks in the world. During this time, she has served both private and public companies from multiple industries and were involved in numerous corporate exercises undertaken by these companies. After about 6 years in the professional line, Ms. Lee moved on to commercial line, joining public listed companies. Ms. Lee's professional career in the company secretarial practices is complemented by her considerable experiences as Corporate Secretary in a number of public listed companies from various industry sectors which spanned over 20 years.

Ms. Lee is a Chartered Secretary and a Fellow of The Malaysian Institute of Chartered Secretaries and Administrators. She has brought with her prized knowledge and experience to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("Board") of Seal Incorporated Berhad ("Seal" or the Company") views corporate governance as a fundamental process contributing towards achieving long term shareholder value, taking into account the interest of other stakeholders. Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Company and its subsidiaries ("Group") corporate governance practices and processes to meet these challenges.

In this Annual Report, the Company outline its corporate governance practices as guided by the key Corporate Governance ("CG") principles set out in the Malaysian Code on Corporate Governance 2021 (the "Code" or "MCCG") and in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") 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. http://sib.com.my/announcements.php or Bursa Securities's website. The Group continues to review its governance practices and will update the practices in response to evolving new practices and the changing requirements.

Compliant Statement

The Company and the Group, as applicable, have applied the principles as set out in the MCCG during the financial year ended 30 June 2021 ("FY2021"), except for the following practices, which in the opinion of the Board of Directors adequately suit the circumstances and a summary of their justifications are as follows:

Practices	Justification
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.	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. The Board is nevertheless supportive of gender diversity as recommended by MCCG and will endeavour to consider suitable and qualified female candidates for appointment to the Board in the future.
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.	The Board is of the view that the interest of shareholders will not be prejudiced from the non-disclosure of identity of the Company's top senior management personnel who are not Directors. The Board also believes that it would not be in the best interest of the Company to disclose the identity and detailed remuneration of senior management due to the sensitive and confidential nature of employees' remuneration and concern over poaching of employees by competitors.

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. The Board is primarily responsible for the overall governance of the Group with an active role in setting and leading the long-term direction and corporate strategy of the Group, attending to crucial business issues such as identifying and managing principal risks, establishing and monitoring systems for internal control and compliance with relevant laws and regulations. The Board also monitors the decisions and actions of the Executive Directors and the performance of the Group to gain assurance that progress is being made towards achieving corporate objectives within the limits imposed throughout the Group's governance assurance framework. Key principle responsibilities of the Board are:

a) Providing leadership to the Company by:
   - Guiding the development of appropriate standards and values for the Company; and
   - Understanding shareholders' expectations and contribute to the development of strategies in their best interest and enhance shareholders' value.

b) Adopting performance measures to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business and regularly review and update the Company's strategic direction and goals;

c) Commitment in governing management and providing oversight of the Company, including the appointment of key senior management, the implementation of appropriate policies and procedures that govern management conduct, the monitoring of performance and succession planning;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principal Responsibilities of the Board (cont'd)

d) Reviewing the Group's sustainability matters;
e) Ensuring effective risk assessment, risk management, compliance and control systems (including compliance with all relevant laws and regulations) are in place;
f) Understand the principal risks of the Group and establish an on-going process in identifying, evaluating and managing significant risks and continually assess the adequacy and effectiveness of the internal controls;
g) Ensuring corporate accountability to the shareholders by promoting better investor relations and shareholders' communication; and
h) Delegating appropriate powers to Chief Executive Officer, Management and Committees to ensure effective day-to-day management and monitoring the exercise of these powers.

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 at the Company's website at www.sib.com.my ("Company's website").

The Board reviews the Board Charter as and when required to keep up to date with changes in the MMLR, other applicable regulations, best practices and ensure its effectiveness and relevance to the Board's objectives.

In promoting good governance practices and 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 at the Company's website:

a) Code of Conduct
b) Whistleblowing Policy and Procedure
c) Sustainability Policy
d) Anti-Bribery and Corruption Policy
e) Remuneration Policy

Board Committees

The Board is assisted by the following sub-committees ("Board Committees") in the discharge of its duties and responsibilities:

a) Audit Committee
b) Nominating Committee
c) Remuneration Committee

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective approved Terms of Reference ("TOR") by the Board. These TORs are periodically reviewed by the Board and the Board appoints the Chairman and members of each Board Committee. The Chairman of the respective Board Committees reports to the Board on key matters deliberated at the Board Committees' meetings and makes necessary recommendations to the Board. The ultimate responsibility for decision making lies with the Board.

The details of the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") are explained in this Statement.

Gender Diversity Policy

The Board has yet to develop gender diversity policy and is of the view that any new appointment to the Board shall be based on the candidate's qualification, capability, skills, knowledge, experience, core competencies, professionalism and integrity regardless of gender and ethnicity.

The Board is nevertheless supportive of gender diversity as recommended by MCCG and endeavour to consider suitable and qualified female candidates for appointment to the Board in the future. To-date, there are 28% women employees in senior positions of the Group and one (1) woman Director on the Board i.e., 12.5% of woman representation on the Board.

The Board endeavours to have diversity in its workforce in terms of experience, qualification, ethnicity and age.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principal Responsibilities of the Board (cont'd)

Foster Commitment

Paragraph 15.06 of the 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.

Board Composition and Independence

The Board comprises eight (8) members, an Executive Chairman, an Executive Director, a Non-Independent Non-Executive Director and five (5) Independent Non-Executive Directors ("INED") which complied with paragraph 15.02 of the MMLR of having at least one-third (1/3) of the Board members as INEDs.

The INEDs 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 with them the calibre 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.

The Board comprises a majority INEDs, who do not participate in the day-to-day management of the Group enabling them to provide impartial views and advices and bring an independent judgement to challenge various views and monitor the performance of management, thus, is providing a good checks and balances in the Board.

The Board is satisfied that the present size and composition of the Board is appropriate for the complexity and scale of operations of the Group.

The Board is led by a well experienced Chairman who 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 Director is responsible for the day-to-day management of the Group's business which includes decision-making on operation matters and implementation of policies, strategic plans and major decisions which require approval of the Board. The Non-Executive Directors contribute their knowledge and experience in business strategic plans.

Pursuant to Practice 1.3 of the MCCG, the positions of Chairman and Chief Executive Officer ("CEO") should be held by different individuals. The Board supports the principle that the positions of Chairman and Chief Executive Officer 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 presently but have another Executive Director besides the Executive Chairman who manages the daily business and operations of the Group and ensure the implementation of the Group's 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 him as Chairman of the Board:

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

Board Meetings

The Board meets every quarter on a scheduled basis with additional meetings convened as and when necessary. The meetings are scheduled in advance annually to enable the Directors to plan their schedules accordingly and board meetings could be held as scheduled. Urgent and important matters are resolved by way of written resolutions and clarifications are provided to the Directors where necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Meetings (cont'd)

Board Meeting materials were circulated and shared electronically to Board members prior to such meetings. Directors also participated in Board Meetings and Committee Meetings in person or virtually. All deliberations and decisions made at Board meetings are recorded by the Company Secretaries including whether any Directors abstained from voting or deliberating on a particular matter. Confirmed minutes are circulated to all members of the Board.

A total of six (6) Board Meetings were held during FY2021. All Directors have fulfilled the minimum 50% attendance requirement in respect of Board Meeting as stipulated in the MMLR. In the intervals between Board Meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through written resolutions. A summary of such resolutions passed by way of written resolutions are then circulated to the Directors and noted at the next Board Meeting.

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

	Directors	Meeting Attendance
1.	Tuan Haji Abdul Hamid bin Mohd Hassan	4/6
2.	Datuk Tan Hiang Joo	6/6
3.	Chee Wai Hong	6/6
4.	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	6/6
5.	Yow Yan Seong* *(Appointed w.e.f. 4 September 2020)*	5/5
6.	Koay Shean Loong* *(Appointed w.e.f. 21 December 2020)*	2/2
7.	Datin Sri Tan Guik Lan* *(Appointed w.e.f. 7 January 2021)*	2/2
8.	Tan Seong Hooi* *(Appointed w.e.f. 7 January 2021)*	2/2
9.	Fang Pern Kok# *(Resigned w.e.f. 4 September 2020)*	1/1
10.	Fang Siew Hong# *(Resigned w.e.f. 30 September 2020)*	1/1
11.	Dato' Sri Koay Teng Choon *(Demised on 20 December 2020)*	2/4

Notes:

* *Appointed during FY2021*
\# *Resigned during FY2021*

Access to Information and Advice

The Board has 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 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 Secretaries and Senior Management. Senior Management staff may be invited to attend Board meetings to provide the Board with detailed explanations and clarifications on certain matters that are tabled to the Board. The Directors may interact directly with the Management, or request for further explanation, information or updates on any aspect of the Group's operations or business concerns from the Management. In this way, the Board has full access to information on the Group's affairs to enable the proper discharge of its duties.

Where applicable, the Directors whether as a full board or in their individual capacity, are may seek independent professional advice from the following parties in furtherance of their duties:-

a) For corporate and/or governance matters, the Company Secretaries and Senior Management;
b) For audit and/or audit-related matters, any representatives of the audit engagement team of the external auditors or the internal auditors and the Group's General Manager - Finance and Accounts; and
c) For any other specific issues where professional advice is required to enable the Board to discharge its duties in connection with specific matters, the Board may proceed to do so, with prior consultation of the Executive Director, in relation to the quantum of fees to be incurred.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Company Secretary

The Board is supported by qualified and competent Company Secretaries. The Company Secretaries regularly update and advise the Board on statutory and regulatory requirements.

Both Company Secretaries roles and responsibilities include:

a) attend and ensure all Board, Board Committees and General meetings are properly convened and ensure that deliberations at Board, Board Committees and General Meetings are well recorded;
b) provide support to the Chairman to ensure the effective functioning of the Board and assist the Chairman in preparation of conduct of meetings;
c) ensure that the due processes and proceedings are in place and properly managed for all General Meetings;
d) update and advise the Board on Board's procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board and the Company are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation; and
e) ensure proper upkeep of statutory registers and records of the Company; and advise the Board on compliance of statutory and regulatory requirements.

Nominating Committee

The NC 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 NC's roles and responsibilities and its authority are set out in the TOR which is available for reference at the Company's website.

The members of the NC comprises exclusively of INEDs. The members and their attendance at NC meeting are as follows:

Members	Meeting Attendance
Datuk Tan Hiang Joo - Chairman	1/1
Chee Wai Hong	1/1
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid *(Appointed w.e.f. 4 September 2020)*	*
Fang Pern Kok# *(Resigned w.e.f. 4 September 2020)*	1/1

Notes:

* *Not a member of the NC at the time of the last NC Meeting held in August 2020.*

\# *Resigned during FY2021*

The activities of the NC during FY2021 are as follows:

a) reviewed the terms of office and performance of the AC and each of its members annually to determine whether the AC and its members have carried out their duties in accordance with the TOR;
b) reviewed the performance of the NC and the RC;
c) reviewed the performance of the Directors retiring at the next AGM of the Company;
d) assessed the independence of the Independent Directors;
e) reviewed the annual assessment of the effectiveness of the Board, Board Committees and Individual Directors based on the criteria established;
f) recommended to the Board the appointment of Directors;
g) discussed and recommended the re-election of Directors who retired in accordance with the Company's Constitution; and
h) recommended to the Board the changes to the Board Committees.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Nominating Committee (cont'd)

The NC upon its assessments carried out was satisfied that:

a) the INEDs have complied with the definition of INEDs as defined in the MMLR;
b) 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
c) the results of the self-assessments 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 review period had been good and therefore, they had been effective in their overall discharge of their functions and duties.

Recruitment or Appointment of Directors

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

a) identification of candidates;
b) evaluation of suitability of candidates;
c) meeting up with the candidates; and
d) final deliberation by the NC.

The NC will then recommend the candidates for approval and appointment by the Board. The Company Secretaries will ensure that all appointments are proper and all necessary compliance obligations are adhered to.

Re-Appointment and Re-Election of Directors

In accordance with the Company's Constitution, at least 1/3 or the number nearest to 1/3 of the Board are subject to retirement at each AGM. The retiring director is eligible for re-election. All newly appointed directors are subject to retirement at the next AGM after his appointment and is eligible for re-election. All other directors shall retire from office at least once in every three 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 AGM are assessed by the Nominating Committee and recommended to the Board for endorsement to seek Shareholders' approval for the re-election or re-appointment.

At the forthcoming AGM, the Directors who will be retiring by rotation in accordance with Articles 101 and 99 of the Company's Constitution have indicated their willingness to be re-elected as Directors. The details of the Directors retiring and standing for re-election at the forthcoming AGM can be found in the Notice of AGM in this Annual Report. The NC has on its meeting held on 9 September 2021 evaluated their performances and recommended them for re-election at the forthcoming AGM.

Mr. Chee Wai Hong who retires in accordance with Article 101(a) of the Company's Constitution, has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the 59th AGM. The Board of Directors of the Company has on 10 September 2021 announced the decision of Mr. Chee Wai Hong to retire in accordance with Article 101(a) of the Company's Constitution at the forthcoming 59th AGM.

Directors' Training

The Board will assess the training needs of the Directors and ensure the Directors have access to continuing education programmes. The Directors are encouraged to attend various professional training programmes deemed necessary from time to time to update themselves with the relevant knowledge and skills, to keep abreast with industry developments and trends and to be updated with various issues facing the changing business environment within which the Group operates in order to discharge their duties effectively.

Any Director appointed to the Board is required to complete the Mandatory Accreditation Programme ("MAP") within four months from the date of appointment if he/she has not attended the MAP prior to his/her appointment to the Board. All the Directors, including those appointed to the Board during FY2021 have attended the MAP as at todate.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Directors' Training (cont'd)

All Directors receive updates regularly on changes to relevant laws and regulations and 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 FY2021, the following training programmes and seminars were attended by the Directors:

Name of Director	Seminars/Courses
Tuan Haji Abdul Hamid bin Mohd Hassan	Budget 2021
Datuk Tan Hiang Joo	▪ Corporate Liability and Directors' Liability under Malaysian Anti-Corruption Commission Act 2009 ▪ Anti- Bribery and Anti-Corruption Policy ▪ Fraud Risk Management
Koay Shean Loong*	▪ Mandatory Accreditation Programme for Directors of public listed companies ▪ Digital Transformation Executive Program
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	Preference Shares - New Redemption Methods
Chee Wai Hong	▪ Managing Tax Investigation and Tax Audit - towards an efficient tax compliance system ▪ Advanced Company Law and Secretarial Practice for Accountants (Incorporation of Companies) ▪ Advanced Company Law and Secretarial Practice for Accountants (Constitution and Shareholders Agreement) ▪ Key Compliance Issues on Annual Returns, Accounts, Audit and AGM ▪ Advanced Company Law and Secretarial Practice for Accountants (Everything on Directors)
Yow Yan Seong*	▪ Mandatory Accreditation Programme for Directors of public listed companies ▪ Section 117 Capital Reduction
Datin Sri Tan Guik Lan*	▪ Mandatory Accreditation Programme for Directors of public listed companies ▪ Board's Role in the Changing World of Work
Tan Seong Hooi*	▪ Mandatory Accreditation Programme for Directors of public listed companies ▪ Understanding Board Decision-Making Process
Dato' Sri Koay Teng Choon *(Demised on 20 December 2020)*	▪ Malaysian Business Reporting System ("MBRS") Financial Statement Revision (Understand Financial Statement Content & Guidelines for completion of MBRS Financial Statement)
Fang Pern Kok# *(Resigned w.e.f. 4 September 2020)*	Nil
Fang Siew Hong# *(Resigned w.e.f. 30 September 2020)*	Nil

Notes:

* *Appointed during FY2021*
\# *Resigned during FY2021*

Remuneration Committee

The RC is responsible for recommending to the Board the remuneration framework for Directors and Key Senior Management. The remuneration package will be structured according to the level of responsibilities, skills, experience and performance of the Directors and Key Senior Management in line with the market to ensure its attractiveness and retention of talented individuals to manage the Group successfully.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Remuneration Committee (cont'd)

The Board has established a Remuneration Policy which facilitates the RC to review, consider and recommend to the Board for decision the remuneration packages of the Directors. The Remuneration Policy is available on the Company's website. The RC has its functions outlined in the Board Charter and its TOR. The TOR can be accessed from the Company's website at www.sib.com.my.

The members of the RC comprise exclusively of INEDs. The members and their attendance at the RC meeting are as follows:

Members	Meeting Attendance
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid - Chairman	1/1
Chee Wai Hong	1/1
Datuk Tan Hiang Joo	1/1
Fang Pern Kok# *(Resigned w.e.f. 4 September 2020)*	Nil

Note:

 # Resigned during FY2021

The RC has convened one (1) meeting during FY2021 and all members attended the meeting.

The RC reviews the performance of the Directors annually and submits its views and recommendations to the Board on adjustments in remuneration and/or rewards of the Directors based on the Directors' performance and contributions towards the Group's achievements for the year, responsibilities, overall employment market conditions and the Group's financial standing.

Directors' Remuneration

The Company's framework on Directors' remuneration has the objectives of attracting and retaining Directors needed to manage the Group successfully. In the case of Executive Directors, their remuneration is linked to their performance and contributions towards the Group's achievements for the year, their level of responsibilities, experience overall employment market conditions and the Group's financial standing.

The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the Non-Executive Directors concerned. The Non-Executive Directors' remuneration and benefits payable are recommended by the Board and approved by Shareholders at General Meeting. Individual Directors do not participate in the decision concerning their individual remuneration.

The details of remuneration paid to the Directors in FY2021 for the Company and the Group level are as follows:

Group	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Fees	-	240,000	240,000
Bonus	10,000	-	10,000
Salaries and EPF	451,705	-	451,705
SOCSO and EIS	1,748	-	1,748
Benefits-in-Kind	31,415	-	31,415
TOTAL	**494,868**	**240,000**	**734,868**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Directors' Remuneration (cont'd)

Company	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
Fees	-	240,000	240,000
Bonus	-	-	-
Salaries and EPF	331,705	-	331,705
SOCSO and EIS	1,155	-	1,155
Benefits-in-kind	-	-	-
TOTAL	**332,860**	**240,000**	**572,860**

Breakdown of Directors' Remuneration for FY2021 by category and in each successive band of RM50,000 is as follows:

	Tuan Haji Abdul Hamid bin Mohd Hassan					
Range of Remuneration (RM)	**Salaries and EPF**	**Allowances**	**Bonus and Incentive**	**SOCSO and EIS**	**Fee**	**Benefits-In-Kind**
Below 50,000	-	-	√	√	-	√
100,000 – 150,000	√	-	-	-	-	-

	Koay Shean Loong*					
Range of Remuneration (RM)	**Salaries and EPF**	**Allowances**	**Bonus and Incentive**	**SOCSO and EIS**	**Fee**	**Benefits-In-Kind**
Below 50,000	-	-	-	√	-	√
151,000 – 200,000	√	-	-	-	-	-

	Fang Siew Hong#					
Range of Remuneration (RM)	**Salaries and EPF**	**Allowances**	**Bonus and Incentive**	**SOCSO and EIS**	**Fee**	**Benefits-In-Kind**
Below 50,000	-	-	-	√	-	√
100,000 – 150,000	√	-	-	-	-	-

	Dato' Sri Koay Teng Choon^					
Range of Remuneration (RM)	**Salaries and EPF**	**Allowances**	**Bonus and Incentive**	**SOCSO and EIS**	**Fee**	**Benefits-In-Kind**
Below 50,000	√	-	-	√	-	-

Notes:

EPF - Employees Provident Fund Contribution
EIS - Employment Insurance System Contribution
SOCSO - Social Security Organisation Contribution

* *Appointed during FY2021*
\# *Resigned during FY2021*
^ *Demised during FY2021*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Senior Management's Remuneration

The remuneration of the Senior Management for FY2021 disclosed in band basis is as follows:

Range of Remuneration (RM)	Salaries and EPF	Allowances	Bonus and Incentive	SOCSO and EIS	Fee	Benefits-In-Kind
	Number of Senior Management					
Below 50,000	1	4	3	5	-	4
50,001 -100,000	2	-	-	-	-	-
100,001 -150,000	1	-	-	-	-	-
150,001 -200,000	1	-	-	-	-	-

Notes:

EPF - Employees Provident Fund Contribution
EIS - Employment Insurance System Contribution
SOCSO - Social Security Organisation Contribution

	Range of Remuneration (RM)			
	Below 50,000	50,001 - 100,000	100,001 - 150,000	150,001 - 200,000
Number of Senior Management	1	2	1	1

The Board is of the view that the interest of the Shareholders will not be prejudiced from the non-disclosure of identity of the Company's Senior Management personnel who are not Directors.

The Board also believes that it would not be in the best interest of the Company to disclose the identity and detailed remuneration of the Senior Management due to the sensitive and confidential nature of employees' remuneration and concern over poaching of employees by competitors.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Board is assisted by the AC to oversee the Group's financial reporting, risk management and internal control system. The AC comprises exclusively of INEDs. The details of the composition and summary of activities of the AC during FY2021 are disclosed in the AC Report in this Annual Report.

Assessment of Suitability and Independence of External Auditors

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

The AC 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 three (3) years.

The AC 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 AC recommended to the Board for their re-appointment. The Board has approved the AC's recommendation for shareholders' approval to be sought at the forthcoming AGM on the re-appointment of the external auditors for the ensuing year.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 AC and the Board matters that require the Board's attention. Private dialogue sessions between the AC and external auditors were held twice during FY2021 without the presence of the Management and Executive Directors, to discuss any issues that may require the attention of the AC. Liaison and unrestricted communication exist between the AC and the external auditors. The external auditors are invited to attend the Company's AGM.

Risk Management and Internal Control Framework

The Board recognises its overall responsibility for the Group's internal control systems and reviews 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 key 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 Group outsourced its internal audit function to an external professional firm to ensure that the Group's system of internal control is adequate and effective. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are presented and discussed during the AC meetings. Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required timeframe. The action plans are reviewed and followed up by the internal audit function on a periodical basis to ensure the recommendations are effectively implemented.

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.

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 adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public. The practice of disclosure of information is not established just to comply with the MMLR, but also to adopt the best practices recommended in the MCCG with regard to strengthening engagement and communication with Shareholders. Where possible, the Group would provide additional disclosures of information on a voluntary basis.

The Group believes that disclosure and regular communication is vital to Shareholders and investors in making informed investment decisions but it is nevertheless mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information are not released unless it has been duly announced or made public through proper channels.

The regularly updated information pertinent on the Group can be obtained from the Company's website. The Company's website provides an avenue for the latest information dissemination to the Shareholders and public on corporate and business aspects of the Group.

Conduct of General Meetings

The AGM and Extraordinary General Meeting ("EGM") remain the principal forum for dialogue and communication with shareholders. The shareholders are encouraged to attend each AGM and EGM. In line with good Corporate Governance practice, the notice of the 58th AGM was sent to the shareholders more than 28 days before the meeting, well in advance of the 21-days requirement under the Companies Act 2016.

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

Conduct of General Meetings (cont'd)

The Board views the AGM and EGM as ideal opportunities to communicate with Shareholders. During the AGM and EGM, Shareholders are given the opportunity to enquire and comment on matters relating to the meeting agendas and the Group's business and performance. The Board members, Senior Management and the Group's external auditors and relevant advisers are available to respond to shareholders' queries.

In view of the COVID-19 transmission risk, the 58th AGM of the Company was convened and held via electronic means i.e. live audio-visual webcast pursuant to the Guidelines issued by the Securities Commission on the conduct of General Meetings. Arrangements and procedures relating to attendance at the 58th AGM via electronic means, submission of questions during the 58th AGM and voting by appointing proxy at the 58th AGM were set out in the notice of the 58th AGM. An Administrative Guide, which furnished useful information regarding the conduct of 58th AGM to guide the Shareholders in participating in the 58th AGM remotely was sent to the Shareholders ahead of the AGM.

The notice of the 58th AGM was also published in nationally circulated daily newspaper, Bursa Securities' website at www.bursamalaysia.com as well as the Company's website within the prescribed period. The notice of the 58th AGM provided further explanation beyond the minimum content stipulated in the MMLR for the proposed resolutions along with background information and reports or relevant recommendations to enable Shareholders to make an informed decision in exercising their voting rights.

An independent scrutineer was appointed to validate the votes casted and results of each resolution put to vote were announced at the 58th AGM. An announcement detailing the poll results, including the total number of votes casted for and against each resolution and the respective percentages were announced via Bursa LINK on the same day after the conclusion of the 58th AGM. Minutes of the 58th AGM was published on the Company's website as soon as practicable after the conclusion of the 58th AGM.

Poll Voting

In line with the MMLR, poll voting shall be conducted for all resolutions as set out in the notice of AGM in this Annual Report.

This CG Overview Statement is made in accordance with the resolution of the Board of Directors dated 4 October 2021.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of the Company was established to serve as a committee of the Board of Directors of the Company ("the Board") and to assist the Board in fulfilling its statutory duties and fiduciary responsibilities.

In compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR"), the Board is pleased to present the AC Report for the financial year ended 30 June 2021.

During the financial year, the members of AC had discharged their duties, responsibilities and functions in accordance with the Terms of Reference ("TOR") of the AC. 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, in compliance with paragraph 15.09(1) of the MMLR.

The AC comprises the following:-

Chairman
Mr. Chee Wai Hong
Independent Non-Executive Director

Members
Datuk Tan Hiang Joo
Independent Non-Executive Director

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

None of the AC members are alternate Director.

The Chairman of the AC, Mr. Chee Wai Hong ("Mr. Chee") is a member of the Malaysian Institute of Accountants and he is not the Chairman of the Board. On 10 September 2021, the Company has announced to Bursa Malaysia Securities Berhad that Mr. Chee who will be retiring at the forthcoming Annual General Meeting ("AGM") of the Company, has notified that he does not wish to seek re-election at the AGM and accordingly, will retire at the conclusion of the AGM.

During the financial year ended 30 June 2021, there were five (5) AC meetings held and the details of the attendance of each member of the committee are tabulated below:

		Attendance at Meeting	Percentage of Attendance (%)
(i)	Chee Wai Hong	5/5	100
(ii)	Datuk Tan Hiang Joo	5/5	100
(iii)	Dato' Seri Raja Iskandar	5/5	100

Members of the management team were also invited to attend the AC meetings to assist in clarifying matters raised at the meeting as needed.

Minutes of the AC meetings were recorded and tabled for confirmation at the next following meeting and subsequently circulated to the Board for notation. The Chairman reports to the Board the discussions undertaken and makes recommendations for the Board's consideration and decision.

The detailed profiles of all members of the AC can be found in the Board of Directors' profile in this Annual Report.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC

The AC assists the Board in fulfilling its overseeing responsibilities. The AC's overall responsibilities encompasses the processes of audit, corporate accounting, financial reporting, system of internal control, regulatory and legal compliances and risk management practices and procedures of the Group.

The activities carried out by the AC for the financial year ended 30 June 2021 in line with its TOR were summarised as follows:-

Financial Reporting

Reviewed the Group's quarterly results and annual audited financial statements of the Group and its related notes to financial statements for the financial year ended 30 June 2021 and ensured that the financial reporting and disclosure requirements had been complied with prior to recommending them to the Board for consideration, approval and public release focusing particularly on:

- changes in or implementation of major accounting principles and policies;
- 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 and regulatory requirements; and
- the going concern assumptions.

Internal Audit

- reviewed and approved internal audit plan for the financial year 2021 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
- 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.

External Audit

- reviewed and discussed with external auditors significant accounting and auditing issues and the resultant audited financial statements arising from the audit.
- met with the external auditors without the presence of management and executive Board members on 26 August 2020 and 24 May 2021, to deliberate on key areas of concern to the external auditors and action necessary for the improvement of the Group arising from the audit review. The issues discussed were then highlighted by the AC Chairman to the Board;
- reviewed and endorsed the audit planning memorandum presented by the external auditors at the meeting held on 24 May 2021 on the scope of work and audit plan of the Group for the financial year ended 30 June 2021, proposed audit reporting schedule and new development on financial reporting standards applicable to the Group;
- Considered the audit fees paid to the external auditors for the financial year ended 30 June 2021. The details of the audit and non-audit services rendered by the external auditors and their affiliates for financial year ended 30 June 2021 are disclosed in Additional Compliance Information of this Annual Report.
- reviewed the extent of assistance rendered by management in the course of audit; and
- reviewed the performance and effectiveness of the external auditor including assessment of their suitability and independence in performing their obligations and made recommendation to the Board for their re-appointment. The external auditors also have not identified any breach of independence during the financial year ended 30 June 2021 and were in compliance with the independence requirements set out in the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards for Accountants' Code of Ethics for Professional Accountants. The lead audit engagement partner responsible for the Company's financial statement is rotated every 3 years.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

Compliance and Corporate Governance

- reviewed and recommended the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report;
- presented the Audit Committee Report to the Board for approval and inclusion in the Annual Report;
- discussed and recommended the Anti Bribery and Corruption Management System Risk Assessment and Gap Analysis Report to the Board for adoption and approval;
- discussed and recommended to the Board a related party transaction for approval; and
- discussed and considered Directors' and Officers' Liability Insurance for the Directors and Officers of the Group.

PERFORMANCE OF AC

The performance and activities of the AC and its members were reviewed on annual basis and the assessment results would be tabled to the Nominating Committee for review. During the financial year ended 30 June 2021, the Board is satisfied that the AC had discharged its responsibilities and duties in accordance with its 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 AC. The internal auditor reports directly to the AC and the cost incurred for the internal audit function for the financial year was RM24,000.

During the financial year, to ensure the compliance with established policies, procedures and statutory requirements, the internal auditors have reviewed and assessed on half yearly basis, 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on 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 areas to ensure that an adequate action plan is in place to address the risks and concerns identified. On a quarterly 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 ended 30 June 2021. The details of the said reviews can be delineated as follows:-

Internal Audit Visits	Audit Period	Audited Areas
First visit in April 2021	October 2020 - March 2021	▪ Review of Finalisation of Accounts
Second visit in June 2021	November 2020 – April 2021	▪ Human Resource Management ▪ Leasing Management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 this 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 2021. 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 the resolution of the Board of Directors dated 4 October 2021.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("CA 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 ensure that the financial statements comply with the provisions of the CA 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.

ADDITIONAL COMPLIANCE INFORMATION

Audit and Non-Audit Fees

The amount of audit fees and non-audit fees incurred/paid to the external auditors of the Group, or a firm or corporation affiliated to the external auditors of the Group, for the financial year ended 30 June 2021 is as follows:

	Group RM	Company RM
Audit Fees	111,000	38,000
Non-Audit Fees	3,000	3,000

Status of Utilisation of Proceeds Raised from Corporate Proposal

On 9 September 2021, the Company has allotted 23,000,000 new ordinary shares at an issue price of RM0.346 per share pursuant to a Private Placement exercise ("Allotment") which has utilised the general mandate granted by its Shareholders pursuant to Section 76 of the Companies Act 2016 at the Company's 58th Annual General Meeting ("AGM") held on 21 December 2020. The general mandate shall continue to be in force until the conclusion of the Company's forthcoming AGM ("Private Placement").

The Allotment arising from the Private Placement has raised a gross proceed of RM7.958 million and the details of utilisation of the proceed as at todate are as follows:-

Purpose	Amount Allocated for Utilisation (RM'000)	Amount of Actual Utilisation (RM'000)	Unutilised Amount (RM'000)
Working capital for the existing construction project	7,000	-	7,000
Future property development projects	828	-	828
Estimated expenses for the Proposed Private Placement	130	(101)	29
Total	**7,958**	**(101)**	**7,857**

Material Contracts

Other than those disclosed in the Notes to the audited financial statements in this Annual Report, there were no material contract (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries involving the interest of the Company's Director, chief executive who is not a director and its major shareholders either still subsisting as at 30 June 2021 or entered into since the end of the previous financial period ended 30 June 2020.

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 a duration of ten years effective from 1 December 2010. The mandate has expired upon the end of the ten years' tenure. There were no options granted pursuant to the scheme.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended **30 June 2021**.

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 6 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
(Loss)/Profit for the financial year	**(10,436,497)**	**2,529,029**
Attributable to:		
Owners of the Company	**(10,382,865)**	**2,529,029**
Non-controlling interests	**(53,632)**	**-**
	(10,436,497)	**2,529,029**

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.

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 2021, 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 18 to the financial statements.

EMPLOYEES' 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 2021, the ESOS has been expired.

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**
Datuk Tan Hiang Joo
Chee Wai Hong
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid
Yow Yan Seong (appointed on 4.9.20)
* **Koay Shean Loong (appointed on 21.12.20)**
Datin Sri Tan Guik Lan (appointed on 7.1.21)
Tan Seong Hooi (appointed on 7.1.21)
Fang Pern Kok (resigned on 4.9.20)
Fang Siew Hong (resigned on 30.9.20)
Dato' Sri Koay Teng Choon (deceased on 20.12.20)

Director of a subsidiary:

Nor Azuwan Bin Saleh (appointed on 1.2.21)
Nik Mohd Kamal Bin Nik Mahmud (resigned on 1.2.21)

* 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 1.7.20	Bought	Transferred	Balance at 30.6.21
The Company				
Direct Interest:				
Dato' Sri Koay Teng Choon	35,444,200	19,367,000	(54,811,200)	-
Datuk Tan Hiang Joo	29,000	-	-	29,000
Koay Shean Loong	3,000,000	-	21,894,200	24,894,200
Datin Sri Tan Guik Lan	1,867,100	10,000,000	32,917,000	44,784,100
Tan Seong Hooi	65,000	-	-	65,000
Yow Yan Seong	3,008,400	-	-	3,008,400
Deemed Interest:				
[1] Yow Yan Seong	1,733,000	-	-	1,733,000

Note:
[1] Deemed interest by virtue of shares held by immediate family members of the directors.

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	**240,000**	**-**	**240,000**
Salaries and bonus	**296,161**	**130,000**	**426,161**
Defined contribution plan	**35,544**	**-**	**35,544**
SOCSO and EIS	**1,155**	**593**	**1,748**
Benefits in-kind	**-**	**31,415**	**31,415**
	572,860	**162,008**	**734,868**

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, OFFICERS OR AUDITORS

There was no indemnity coverage to or insurance premium paid for any of the directors, officers or auditors of the Group and of 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 EVENTS

The details of the significant events are disclosed in Note 38 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2021 are RM111,000 and RM38,000 respectively.

The auditors, **Grant Thornton Malaysia PLT**, 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	**Koay Shean Loong**

Penang,

Date: 5 October 2021

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 52 to 118 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 2021** 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	**Koay Shean Loong**

Date: 5 October 2021

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 52 to 118 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 **5th**)
day of **October 2021**.)

.....
Tuan Haji Abdul Hamid bin Mohd Hassan

Before me,

.....
Goh Suan Bee (P125)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SEAL INCORPORATED BERHAD
(Incorporated in Malaysia)

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 2021** 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 52 to 118.

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 2021** 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 Matter	How our audit addressed the Key Audit Matter
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 2021 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 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 ageing 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.

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 of the Group and of the Company.

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.

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

- 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 Matters

(i) 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.

(ii) The financial statements for the preceding year ended 30 June 2020 were audited by **Grant Thornton** whose report dated 12 October 2020, expressed an unqualified opinion on those financial statements. The practice of **Grant Thornton** has merged with **Grant Thornton Malaysia PLT** effective from 1 January 2021.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Penang

Date: 5 October 2021

Loo Wei Teng
No. 03487/03/2022 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	GROUP 2021 RM	GROUP (Restated) 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**802,239**	1,255,915	**22,887**	31,917
Investment properties	5	**116,062,014**	116,177,820	**739,194**	880,000
Investment in subsidiaries	6	**-**	-	**110,698,530**	110,068,832
Timber concessions	7	**10,798,931**	10,798,931	**2,194,244**	2,194,244
Inventories	8	**95,016,670**	95,016,670	**17,599,245**	17,599,245
Amount due from subsidiaries	9	**-**	-	**72,417,606**	-
		222,679,854	223,249,336	**203,671,706**	130,774,238
Current assets					
Inventories	8	**24,900,932**	28,461,088	**-**	-
Trade receivables	10	**53,482,565**	56,633,956	**-**	-
Other receivables, deposits and prepayments	11	**83,198,646**	97,073,203	**162,483**	151,472
Amount due from subsidiaries	9	**-**	-	**84,645,748**	148,171,423
Contract assets	12	**5,878,816**	4,532,717	**-**	-
Contract costs	13	**761,211**	761,211	**-**	-
Current tax assets		**2,823,303**	2,421,252	**-**	-
Other investments	14	**13,365,475**	18,445,748	**-**	3,800,000
Deposits with licensed banks	15	**18,428,123**	20,133,604	**1,045,933**	1,026,023
Cash and bank balances		**3,027,560**	5,258,443	**275,187**	1,619,679
		205,866,631	233,721,222	**86,129,351**	154,768,597
Non-current asset held for sale	16	**110,000**	705,000	**110,000**	705,000
		205,976,631	234,426,222	**86,239,351**	155,473,597
TOTAL ASSETS		**428,656,485**	457,675,558	**289,911,057**	286,247,835

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	GROUP 2021 RM	GROUP (Restated) 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	**142,629,537**	142,629,537	**142,629,537**	142,629,537
Treasury shares	18	**(2,165,586)**	(2,165,586)	**(2,165,586)**	(2,165,586)
Reserves	19	**352,940**	352,940	**352,940**	352,940
Retained profits	20	**151,539,590**	161,922,455	**139,748,972**	137,219,943
		292,356,481	302,739,346	**280,565,863**	278,036,834
Non-controlling interests		**5,965,942**	6,019,574	**-**	-
Total equity		**298,322,423**	308,758,920	**280,565,863**	278,036,834
Non-current liabilities					
Borrowings	21	**66,956,119**	61,308,032	**-**	-
Deferred tax liabilities	22	**2,138,331**	1,993,127	**6,675**	10,374
		69,094,450	63,301,159	**6,675**	10,374
Current liabilities					
Trade payables	23	**10,493,560**	19,283,894	**2,444**	2,444
Other payables and accruals	24	**34,687,211**	35,008,015	**370,683**	811,629
Amount due to subsidiaries	9	**-**	-	**7,531,681**	7,004,349
Borrowings	21	**13,224,414**	30,680,393	**1,256,159**	-
Current tax liabilities		**2,834,427**	643,177	**177,552**	382,205
		61,239,612	85,615,479	**9,338,519**	8,200,627
Total liabilities		**130,334,062**	148,916,638	**9,345,194**	8,211,001
TOTAL EQUITY AND LIABILITIES		**428,656,485**	457,675,558	**289,911,057**	286,247,835

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Revenue	25	**18,802,345**	38,575,797	**4,930**	13,600
Direct operating costs	26	**(16,875,387)**	(24,659,619)	**-**	-
Gross profit		**1,926,958**	13,916,178	**4,930**	13,600
Other income	27	**4,324,578**	27,490,539	**5,394,824**	7,876,825
Administrative expenses		**(9,334,751)**	(16,134,850)	**(1,939,030)**	(2,315,187)
Operating (loss)/profit		**(3,083,215)**	25,271,867	**3,460,724**	5,575,238
Finance costs		**(3,291,690)**	(5,354,251)	**(259,531)**	(84,441)
(Loss)/profit before tax	28	**(6,374,905)**	19,917,616	**3,201,193**	5,490,797
Tax expense	29	**(4,061,592)**	(3,756,458)	**(672,164)**	(1,422,655)
Net (loss)/profit, representing total comprehensive (loss)/income for the financial year		**(10,436,497)**	16,161,158	**2,529,029**	4,068,142
(Loss)/Profit attributable to:					
Owners of the Company		**(10,382,865)**	16,069,941	**2,529,029**	4,068,142
Non-controlling interests		**(53,632)**	91,217	**-**	-
		(10,436,497)	16,161,158	**2,529,029**	4,068,142
Total comprehensive (loss)/income attributable to:					
Owners of the Company		**(10,382,865)**	16,069,941	**2,529,029**	4,068,142
Non-controlling interests		**(53,632)**	91,217	**-**	-
		(10,436,497)	16,161,158	**2,529,029**	4,068,142
(Losses)/Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	30	**(4.38)**	6.78		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		----- 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**
2021							
Balance at 1.7.2020	**142,629,537**	**(2,165,586)**	**352,940**	**161,922,455**	**302,739,346**	**6,019,574**	**308,758,920**
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(10,382,865)**	**(10,382,865)**	**(53,632)**	**(10,436,497)**
Balance at 30.6.2021	**142,629,537**	**(2,165,586)**	**352,940**	**151,539,590**	**292,356,481**	**5,965,942**	**298,322,423**
2020							
Balance at 1.7.2019	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 30.6.2020	142,629,537	(2,165,586)	352,940	161,922,455	302,739,346	6,019,574	308,758,920

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Share Capital RM	Treasury Shares RM	Non-distributable Reserves RM	Distributable Retained Profits RM	Total Equity RM
2021					
Balance at 1.7.2020	**142,629,537**	**(2,165,586)**	**352,940**	**137,219,943**	**278,036,834**
Total comprehensive income for the financial year	**-**	**-**	**-**	**2,529,029**	**2,529,029**
Balance at 30.6.2021	**142,629,537**	**(2,165,586)**	**352,940**	**139,748,972**	**280,565,863**
2020					
Balance at 1.7.2019	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 30.6.2020	142,629,537	(2,165,586)	352,940	137,219,943	278,036,834

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before tax		**(6,374,905)**	19,917,616	**3,201,193**	5,490,797
Adjustments for:					
Accretion of interest		**-**	2,365,784	**-**	-
Depreciation of property, plant and equipment		**305,138**	450,778	**9,030**	12,929
Depreciation of right-of-use asset		**-**	7,635,029	**-**	-
Dividend income from investment in quoted unit trusts		**(304,330)**	(647,839)	**(16,846)**	(127,230)
Fair value loss/(gain) on investment properties, net		**30,569**	(17,073,801)	**30,806**	45,000
Gain on derecognition of right-of-use asset and lease liability		**-**	(1,029,263)	**-**	-
Gain on disposal of property, plant and equipment		**(139,775)**	(15,499)	**-**	-
Impairment loss on investment in a subsidiary		**-**	-	**30,164**	156,996
Interest expense		**3,291,690**	2,988,467	**259,531**	84,441
Interest income		**(472,426)**	(783,421)	**(4,626,001)**	(5,903,425)
Property, plant and equipment written off		**29,993**	9,780	**-**	-
Rent concessions		**-**	(1,495,258)	**-**	-
Reversal of allowance for expected credit losses		**(19,962)**	(3,000)	**-**	(18,759)
Reversal of impairment loss on investment in subsidiaries		**-**	-	**(659,862)**	(1,743,489)
Operating (loss)/profit before working capital changes		**(3,654,008)**	12,319,373	**(1,771,985)**	(2,002,740)
Changes in:					
Inventories		**3,560,156**	-	**-**	-
Receivables		**17,045,910**	9,301,209	**(11,011)**	14,375
Payables		**(9,156,288)**	2,763,740	**(440,946)**	497,019
Contract assets		**(1,346,099)**	(2,547,108)	**-**	-
Contract costs		**-**	(761,211)	**-**	-
Cash generated from/(used in) operations		**6,449,671**	21,076,003	**(2,223,942)**	(1,491,346)
Income tax paid		**(2,127,189)**	(4,681,855)	**(880,516)**	(1,474,944)
Income tax refunded		**-**	563,005	**-**	-
Interest received		**34,785**	5,108	**-**	-
Interest paid		**(3,246,540)**	(2,710,288)	**(37,922)**	(39,178)
Net cash from/(used in) operating activities		**1,110,727**	14,251,973	**(3,142,380)**	(3,005,468)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from investment in quoted unit trusts		**304,330**	647,839	**16,846**	127,230
Interest received		**437,641**	778,313	**39,950**	72,969
Net change in subsidiaries' balances		**-**	-	**(4,000,157)**	1,013,443
Proceeds from disposal of property, plant and equipment		**391,230**	15,500	**-**	-
Proceeds from disposal of other investments		**14,378,472**	17,359,942	**5,000,000**	656,801
Proceeds from disposal of non-current assets held for sale		**705,000**	-	**705,000**	-
Purchase of property, plant and equipment		**(132,910)**	(32,106)	**-**	-
Purchase of investment properties		**-**	(19,538,590)	**-**	-
Subsequent expenditure incurred on investment properties		**(24,763)**	-	**-**	-
Purchase of other investments		**(9,298,199)**	(17,299,256)	**(1,200,000)**	-
Withdrawal/(Placement) of deposits with licensed banks		**173,421**	(972,752)	**-**	-
Net cash from/(used in) investing activities		**6,934,222**	(19,041,110)	**561,639**	1,870,443
CASH FLOWS FROM FINANCING ACTIVITIES					
Net changes of commodity financing	**B**	**(14,815,630)**	746,815	**-**	-
Repayment of domestic recourse factoring	**B**	**(3,350,667)**	(10,934,303)	**-**	-
Repayment of finance lease liabilities	**B**	**(325,089)**	(199,608)	**-**	-
Drawdown of term loans	**B**	**10,000,000**	17,983,360	**-**	-
Repayment of term loans	**B**	**(2,497,356)**	(910,923)	**-**	-
Repayment of lease liabilities	**B**	**-**	(7,476,292)	**-**	-
Net cash used in financing activities		**(10,988,742)**	(790,951)	**-**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,943,793)**	(5,580,088)	**(2,580,741)**	(1,135,025)
CASH AND CASH EQUIVALENTS AT BEGINNING		**9,825,855**	15,405,943	**2,645,702**	3,780,727
CASH AND CASH EQUIVALENTS AT END	**A**	**6,882,062**	9,825,855	**64,961**	2,645,702

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
A. Cash and cash equivalents				
Deposits with licensed banks	**18,428,123**	20,133,604	**1,045,933**	1,026,023
Cash and bank balances	**3,027,560**	5,258,443	**275,187**	1,619,679
Bank overdrafts	**(9,555,311)**	(10,374,461)	**(1,256,159)**	-
	11,900,372	15,017,586	**64,961**	2,645,702
Less: Deposits pledged with licensed banks	**(5,018,310)**	(5,191,731)	**-**	-
	6,882,062	9,825,855	**64,961**	2,645,702

B. 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				
2021				
Borrowings excluding bank overdrafts, representing total liabilities arising from financing activities	**81,613,964**	**(10,988,742)**	**-**	**70,625,222**
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

[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 Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

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 5 October 2021.

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 6 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 Amendments to MFRSs**

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 amendments to MFRSs that are mandatory for the current financial year:

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

Initial application for the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company.

The Group has early adopted the *Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions* which is effective for annual period beginning on or after 1 June 2020 in the prior 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 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 April 2021
Amendment to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

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 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

Effective for annual periods beginning on or after 1 January 2023
MFRS 17 Insurance Contracts
Amendments to MFRS 4 Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective date yet to be confirmed
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 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:

Non-current asset held for sale

On 10 May 2021 (2020: 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 **RM110,000** (2020: 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. **BASIS OF PREPARATION** (CONT'D)

2.6 **Significant Accounting Estimates and Judgements** (cont'd)

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 33.3.1 to the financial statements.

(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 performance 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 contracts incurred, the estimated total revenue and total costs and the recoverability of the contract cost. In making these judgements, 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 market 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 the reporting period for similar land, less estimated costs necessary to make the sale or where applicable, engaged independent valuers to estimate the fair value of 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 8 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)

(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 Notes 5 to the financial statements.

(v) **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 **RM30,164** (2020: RM156,996) 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 **RM659,862** (2020: RM1,743,489) 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.

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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.1 **Consolidation** (cont'd)

(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 impairment 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.

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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.1 **Consolidation** (cont'd)

(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 statements of financial position and statements 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 statements 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.

(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. **ACCOUNTING POLICIES** (CONT'D)

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.

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**

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

3.4.1 **Group as lessee**

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.

3.4.2 **Group as lessor**

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.

3.5 **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").

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. **ACCOUNTING POLICIES** (CONT'D)

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.

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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (cont'd)

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

(ii) **Subsequent measurement** (cont'd)

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.

(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 and the Company recognise allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets, and lease receivables. ECLs are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade and other receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (cont'd)

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

(iv) **Impairment** (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts owing. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Company's procedures for recovery amounts 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.

3. **ACCOUNTING POLICIES** (CONT'D)

3.8 **Financial Instruments** (cont'd)

3.8.2 **Financial liabilities** (cont'd)

(ii) **Subsequent measurement** (cont'd)

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.

3.8.3 **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. **ACCOUNTING POLICIES** (CONT'D)

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.

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) **Sales of completed unit**

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

(iii) **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.

(iv) **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.

(v) **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.

(vi) **Interest income**

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

(vii) **Dividend income**

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

3. **ACCOUNTING POLICIES** (CONT'D)

3.11 **Revenue From Contracts with Customers** (cont'd)

3.11.1 **Contract balances**

This refers to the closing balances of the trade receivables and contract assets 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).

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.

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.

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. **ACCOUNTING POLICIES** (CONT'D)

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.

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 **Sales and Service Tax ("SST")**

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

- when the SST incurred in a purchase of asset or service is not recoverable from the authority, in which case the 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 SST inclusive.

The net SST payable to the taxation authority is included as part of payables in the statements of financial position.

3. **ACCOUNTING POLICIES** (CONT'D)

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 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.

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. **ACCOUNTING POLICIES** (CONT'D)

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.

(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
2021					
At cost					
Balance at beginning	**347,614**	**91,740**	**1,376,162**	**2,355,004**	**4,170,520**
Additions	**-**	**-**	**132,910**	**-**	**132,910**
Disposal	**-**	**-**	**-**	**(1,203,887)**	**(1,203,887)**
Written off	**-**	**(466)**	**(87,956)**	**-**	**(88,422)**
Balance at end	**347,614**	**91,274**	**1,421,116**	**1,151,117**	**3,011,121**
Accumulated depreciation					
Balance at beginning	**52,908**	**91,738**	**986,222**	**1,783,737**	**2,914,605**
Current charge	**5,892**	**-**	**95,625**	**203,621**	**305,138**
Disposal	**-**	**-**	**-**	**(952,432)**	**(952,432)**
Written off	**-**	**(465)**	**(57,964)**	**-**	**(58,429)**
Balance at end	**58,800**	**91,273**	**1,023,883**	**1,034,926**	**2,208,882**
Carrying amount	**288,814**	**1**	**397,233**	**116,191**	**802,239**

4. **PROPERTY, PLANT AND EQUIPMENT** (CONT'D)

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

COMPANY

	Plant and machinery RM	**Office equipment, furniture and fittings RM**	**Motor vehicles RM**	**Total RM**
2021				
At cost				
Balance at beginning/at end	**84,740**	**120,395**	**16,380**	**221,515**
Accumulated depreciation				
Balance at beginning	**84,739**	**93,391**	**11,468**	**189,598**
Current charge	**-**	**5,754**	**3,276**	**9,030**
Balance at end	**84,739**	**99,145**	**14,744**	**198,628**
Carrying amount	**1**	**21,250**	**1,636**	**22,887**

4. **PROPERTY, PLANT AND EQUIPMENT** (CONT'D)

COMPANY

	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2020				
At cost				
Balance at beginning/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

GROUP

(i) The carrying amount of leased assets which are pledged as securities for the finance lease liabilities as disclosed in Note 21 to the financial statements are **RM104,438** (2020: RM566,352).

(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**	**Disposal RM**
2021			
Leasehold shoplot	**288,814**	**5,892**	**-**
Motor vehicles	**104,438**	**122,621**	**251,455**
2020			
Leasehold shoplot	294,706	5,892	-
Motor vehicles	566,352	300,748	-

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Investment properties at fair value:				
Balance at beginning	**116,177,820**	57,147,820	**880,000**	1,630,000
Additions	**24,763**	16,318,725	**-**	-
Transfer from investment properties under construction at cost	**-**	26,342,474	**-**	-
Fair value (loss)/gain recognised in profit or loss	**(30,569)**	17,073,801	**(30,806)**	(45,000)
Reclassified to non-current asset held for sale	**(110,000)**	(705,000)	**(110,000)**	(705,000)
Balance at end	**116,062,014**	116,177,820	**739,194**	880,000
Investment properties under construction at cost:				
Balance at beginning	**-**	23,122,609	**-**	-
Additions	**-**	3,219,865	**-**	-
Transfer to investment properties at fair value	**-**	(26,342,474)	**-**	-
Balance at end	**-**	-	**-**	-
	116,062,014	116,177,820	**739,194**	880,000

The reconciliation of the fair value is shown above.

The investment properties consist of the following:

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Freehold land	**320,000**	320,000	**320,000**	320,000
Freehold shoplots	**60,524,194**	60,640,000	**419,194**	560,000
Leasehold building	**37,820**	37,820	**-**	-
Leasehold office lots	**27,810,000**	27,810,000	**-**	-
Leasehold shoplots	**27,370,000**	27,370,000	**-**	-
	116,062,014	116,177,820	**739,194**	880,000

(i) The carrying amount of the Group's investment properties which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 21 to the financial statements is **RM86,990,000** (2020: RM86,990,000).

5. **INVESTMENT PROPERTIES** (CONT'D)

(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.

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

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Rental income	**4,885,704**	2,757,677	**4,930**	13,600
Direct operating expenses of investment properties:				
- income generating	**488,296**	198,977	**1,462**	2,198
- non-income generating	**93,836**	46,261	**4,387**	2,816

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

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Within one year	**4,310,819**	2,189,199	**-**	-
More than one year and less than five years	**2,427,429**	1,586,035	**-**	-
	6,738,248	3,775,234	**-**	-

(iii) Fair value measurement of the investment properties is disclosed in Note 34.1 to the financial statements.

6. **INVESTMENT IN SUBSIDIARIES**

	COMPANY	
	2021 RM	2020 RM
Unquoted shares, at cost	**27,167,329**	27,167,329
Unquoted redeemable preference shares, at cost	**99,308,000**	99,308,000
	126,475,329	126,475,329
Less: Allowance for impairment		
Balance at beginning	**(16,406,497)**	(17,992,990)
Current year	**(30,164)**	(156,996)
Reversal	**659,862**	1,743,489
Balance at end	**(15,776,799)**	(16,406,497)
	110,698,530	110,068,832

6. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

The details of the subsidiaries which the principal place of business are all in Malaysia, are as follows:

Name of Subsidiaries	Effective Equity Interest 2021 %	Effective Equity Interest 2020 %	Principal Activities
Great Eastern Mills Berhad ("GEM")[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	Dormant.

6. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

Name of Subsidiaries	Effective Equity Interest 2021	2020	Principal Activities
Indirect - held through Seal Properties Sdn. Bhd.			
Seal Lifestyle Development Sdn. Bhd.	**100**	100	Dormant.
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.			
GEM[1]	**14**	14	Dormant.
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.*

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

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 **RM30,164** is provided in respect of investment in SVSB in the current financial year (2020: RM156,996 is provided in respect of investment in SKCSB) and reversal of impairment losses of **RM659,862** in respect of investments in GEM (2020: RM1,743,489 in respect of investments in SVSB, STCSB, and SCISB).

6. **INVESTMENT IN SUBSIDIARIES** (CONT'D)

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

The details of the material NCI are as follows:

	SPBC	
	2021	2020
NCI percentage of ownership interest and voting interest (%)	**40%**	40%
Carrying amount of NCI (RM)	**5,901,332**	5,967,472
(Loss)/Profit allocated to NCI (RM)	**(66,139)**	90,607

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

	SPBC	
	2021 RM	2020 RM
Assets and liabilities	**6,040**	7,190
Non-current assets	**15,066,418**	14,924,960
Current assets	**(319,127)**	(13,471)
Current liabilities	**14,753,331**	14,918,679
Net assets		
Results		
Revenue	**-**	-
Other income	**290,512**	364,077
Net (loss)/profit, representing total comprehensive (loss)/income for the financial year	**(165,348)**	226,518
Net cash (used in)/generated from:		
Operating activities	**(132,683)**	(117,559)
Investing activities	**106,166**	2,146,959
Financing activities	**1,000**	(1,000)
Net change in cash and cash equivalents	**(25,517)**	2,028,400

7. **TIMBER CONCESSIONS**

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Timber concessions	**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)
	10,798,931	10,798,931	**2,194,244**	2,194,244

8. INVENTORIES

	Note	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Non-current:					
Land held for development	8.1	**95,016,670**	95,016,670	**17,599,245**	17,599,245
Current:					
Property development costs	8.2	**17,160,616**	17,160,616	**-**	-
Completed development properties	8.3	**7,740,316**	11,300,472	**-**	-
		24,900,932	28,461,088	**-**	-
		119,917,602	123,477,758	**17,599,245**	17,599,245
Cost of inventories recognised in profit or loss:					
Inventories recognised as cost of sales		**3,560,156**	-	**-**	-

8.1 Land held for development

	GROUP 2021 RM	GROUP 2020 RM	COMPANY 2021 RM	COMPANY 2020 RM
Land	**94,477,480**	94,477,480	**17,060,055**	17,060,055
Development costs	**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 as securities for banking facilities granted to the Group and the Company as disclosed in Note 21 to the financial statements is **RM17,060,055** (2020: RM17,060,055).

8.2 Property development costs

	GROUP 2021 RM	GROUP 2020 RM
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 as securities for banking facilities granted to a subsidiary as disclosed in Note 21 to the financial statements.

8. **INVENTORIES** (CONT'D)

8.3 **Completed development properties**

Included herein are completed development properties amounting to **RM3,928,988** (2020: RM7,016,101) which are pledged to a licensed bank as securities for banking facilities granted to certain subsidiaries as disclosed in Note 21 to the financial statements.

9. **AMOUNT DUE FROM/TO SUBSIDIARIES**

	COMPANY	
	2021	2020
	RM	RM
Non-current		
Amount due from subsidiaries		
- Interest bearing at **3% to 7.95%** (2020: 3% to 7.95%) per annum	**72,417,606**	-
Current		
Amount due from subsidiaries		
Trade related	**1,808,364**	1,808,364
Non-trade related		
- Non-interest bearing	**21,298**	19,338
- Interest bearing at **3% to 7.95%** (2020: 3% to 7.95%) per annum	**83,233,850**	146,761,485
Less: Allowance for expected credit losses	**(417,764)**	(417,764)
Total current amount due to subsidiaries	**82,816,086**	146,343,721
	84,645,748	148,171,423
Total amount due from subsidiaries	**157,063,354**	148,171,423
Amount due to subsidiaries		
Non-trade related		
- Interest bearing at **3%** (2020: 3%) per annum	**7,531,681**	7,004,349

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

	COMPANY	
	2021	2020
	RM	RM
Balance at beginning	**417,764**	436,523
Reversal	**-**	(18,759)
Balance at end	**417,764**	417,764

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.

10. TRADE RECEIVABLES

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Trade receivables	**61,457,250**	64,628,603	**135,124**	135,124
Less: Allowance for expected credit losses				
Balance at beginning	**7,994,647**	7,997,647	**135,124**	135,124
Reversal	**(19,962)**	(3,000)	**-**	-
Balance at end	**(7,974,685)**	(7,994,647)	**(135,124)**	(135,124)
	53,482,565	56,633,956	**-**	-

Included in the Group's trade receivables is retention sum receivables of **RM5,007,185** (2020: RM9,833,436).

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 **RM Nil** (2020: RM37,974) which bears an interest rate of 10% per annum.

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** (2020: 14 to 21 days) from the date of the progress billings.

(ii) Construction : Credit term is **30 days** (2020: 30 days) from the date of the progress billings.

(iii) Others : Credit term ranges from **7 to 90 days** (2020: 7 to 90 days).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
* Other receivables	**77,219,440**	83,950,850	**769,849**	769,849
Less: Allowance for expected credit losses	**(769,849)**	(769,849)	**(769,849)**	(769,849)
	76,449,591	83,181,001	**-**	-
# Stakeholders' sum	**5,447,000**	12,828,333	**-**	-
GST recoverable	**-**	3,924	**-**	3,924
Deposits	**402,309**	495,145	**760**	760
	82,298,900	96,508,403	**760**	4,684
Prepayments	**15,221,658**	15,482,140	**15,079,063**	15,064,128
Less: Accumulated impairment loss	**(14,917,340)**	(14,917,340)	**(14,917,340)**	(14,917,340)
Balance carried forward	**304,318**	564,800	**161,723**	146,788
Accrued income	**595,428**	-	**-**	-
	83,198,646	97,073,203	**162,483**	151,472

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 **RM74,764,461** (2020: RM82,745,337) 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** (2020: 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 **RM Nil** (2020: RM7,381,333) is in relation to the stakeholder's sum held by the solicitors pursuant to the material litigation as disclosed in Note 37 to the financial statements.

12. **CONTRACT ASSETS**

	GROUP	
	2021	2020
	RM	RM
Construction contracts		
Balance at beginning	**3,880,328**	97,936
Revenue recognised during the year	**4,386,458**	12,680,074
Progress billings during the year	**(2,932,457)**	(8,897,682)
Balance at end	**5,334,329**	3,880,328
Project management fee		
Balance at beginning	**652,389**	1,457,023
Revenue recognised during the year	**79,181**	253,119
Progress billings during the year	**(187,083)**	(1,057,753)
Balance at end	**544,487**	652,389
	5,878,816	4,532,717

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.

13. CONTRACT COSTS

	GROUP	
	2021	2020
	RM	RM
Cost to fulfil a contract	**761,211**	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.

14. OTHER INVESTMENTS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Financial assets at fair value through profit or loss				
- Investment in quoted unit trusts	**13,365,475**	18,445,748	**-**	3,800,000

15. DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Fixed deposits	**18,428,123**	20,033,604	**1,045,933**	1,026,023
Short term money market deposits	**-**	100,000	**-**	-
	18,428,123	20,133,604	**1,045,933**	1,026,023

Included herein are the Group's fixed deposits amounting to **RM5,018,310** (2020: RM5,191,731) which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 21 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 **1.60% to 3.25%** (2020: 1.85% to 3.50%) per annum and **1 month to 12 months** (2020: 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 **1.85%** (2020: 2.15%) per annum and **1 month** (2020: 1 month) 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 were 1.65% to 2.90% per annum and 10 days respectively.

16. NON-CURRENT ASSET HELD FOR SALE

	GROUP AND COMPANY	
	2021	2020
	RM	RM
Freehold shop lot:		
Reclassified from investment properties	**110,000**	705,000

2021

On 10 May 2021, 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 RM110,000. The disposal transaction has completed subsequent to the year end.

2020

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.

17. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021	2020	**2021**	2020
			RM	RM
Issued and fully paid with no par value	**242,952,684**	242,952,684	**142,629,537**	142,629,537

18. 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 21 December 2020.

Of the total **242,952,684** (2020: 242,952,684) issued and fully paid ordinary shares as at the end of the reporting period, **5,896,500** (2020: 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** (2020: 237,056,184) ordinary shares.

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

19. RESERVES

	GROUP AND COMPANY	
	2021	2020
	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.

20. 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.

21. BORROWINGS

	GROUP	
	2021 RM	2020 RM
Non-current liabilities		
Secured:		
Finance lease liabilities		
Minimum payments:		
Within 1 year	**63,714**	187,755
More than 1 year and less than 2 years	**24,564**	141,870
More than 2 years and less than 5 years	**14,324**	117,039
	102,602	446,664
Future finance charges	**(3,916)**	(22,889)
	98,686	423,775
Amount due within 1 year included under current liabilities	**(61,128)**	(175,468)
	37,558	248,307
Term loans		
Total amount repayable	**70,526,536**	63,023,892
Amount due within 1 year included under current liabilities	**(3,607,975)**	(1,964,167)
	66,918,561	61,059,725
	66,956,119	61,308,032
Current liabilities		
Secured:		
Bank overdrafts	**9,555,311**	10,374,461
Commodity financing	**-**	14,815,630
Domestic recourse factoring	**-**	3,350,667
Finance lease liabilities	**61,128**	175,468
Term loans	**3,607,975**	1,964,167
	13,224,414	30,680,393
Total borrowings	**80,180,533**	91,988,425

	COMPANY	
	2021 RM	2020 RM
Current liabilities		
Secured:		
Bank overdrafts	**1,256,159**	-

21. **BORROWINGS** (CONT'D)

The borrowings of the Group and the Company 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 leasehold shoplots and leasehold 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 8 to the financial statements;
(iv) First party legal charge over certain completed development properties as disclosed in Note 8 to the financial statements;
(v) Pledge of the Group's fixed deposits with licensed banks as disclosed in Note 15 to the financial statements;
(vi) Assignment of rental proceeds over the Group's leasehold shoplots as disclosed in Note 25 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	Within 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years
	(%)	RM	RM	RM	RM	RM
GROUP						
2021						
Bank overdrafts	**6.20 to 6.45**	**9,555,311**	**9,555,311**	**-**	**-**	**-**
Finance lease liabilities	**2.33 to 2.60**	**98,686**	**61,128**	**23,430**	**14,128**	**-**
Term loans	**3.44 to 4.65**	**70,526,536**	**3,607,975**	**5,184,335**	**15,786,342**	**45,947,884**
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
COMPANY						
2021						
Bank overdrafts	**6.45**	**1,256,159**	**1,256,159**	**-**	**-**	**-**

22. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Balance at beginning	**1,993,127**	511,142	**10,374**	6,784
Recognised in profit or loss	**145,204**	1,816,900	**(3,699)**	(1,410)
(Over)/Under provision in prior year	**-**	(334,915)	**-**	5,000
Balance at end	**2,138,331**	1,993,127	**6,675**	10,374

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

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Property, plant and equipment	**37,000**	34,000	**3,000**	4,000
Investment properties	**1,958,428**	1,959,127	**3,675**	6,374
Other deductible temporary difference	**142,903**	-	**-**	-
	2,138,331	1,993,127	**6,675**	10,374

23. TRADE PAYABLES

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Trade payables	**927,811**	9,722,290	**2,444**	2,444
Retention sum payables	**9,565,749**	9,561,604	**-**	-
	10,493,560	19,283,894	**2,444**	2,444

The trade payables are non-interest bearing and are normally settled within **30 to 90 days** (2020: 30 to 90 days) credit terms.

24. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2021 RM	(Restated) 2020 RM	**2021 RM**	2020 RM
Other payables	**2,710,671**	2,576,443	**71,549**	43,925
Accruals:				
- Accrued development costs	**16,000,000**	16,000,000	**-**	-
- Accrued profit sharing	**4,487,145**	4,284,569	**-**	-
- Others	**8,877,594**	5,805,677	**291,434**	695,754
	29,364,739	26,090,246	**291,434**	695,754
Deposits received	**2,512,386**	6,137,195	**7,700**	71,950
Rental received in advance	**67,564**	64,156	**-**	-
SST payables	**31,851**	139,975	**-**	-
	34,687,211	35,008,015	**370,683**	811,629

25. REVENUE

25.1 Disaggregated revenue information

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Types of revenue or services				
Rental income	**4,843,404**	18,786,570	**4,930**	13,600
Sales of completed development properties	**5,820,224**	-	**-**	-
Construction contract revenue	**4,386,458**	12,680,074	**-**	-
Project management fee	**79,181**	253,119	**-**	-
Sale of timber	**3,004,028**	-	**-**	-
Provision of marketing services	**644,050**	6,692,384	**-**	-
Property management services	**25,000**	163,650	**-**	-
Total revenue from contracts with customers	**18,802,345**	38,575,797	**4,930**	13,600
Timing of revenue recognition				
Performance obligation satisfied over time	**9,334,043**	31,883,413	**4,930**	13,600
Performance obligation satisfied at a point in time	**9,468,302**	6,692,384	**-**	-
Total revenue from contracts with customers	**18,802,345**	38,575,797	**4,930**	13,600

Geographical segments

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

25. **REVENUE** (CONT'D)

25.2 **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 **RM Nil** (2020: RM8,732,552).

26. **DIRECT OPERATING COSTS**

	GROUP	
	2021	2020
	RM	RM
Rental operating costs	**1,327,946**	13,115,336
Completed development properties costs	**3,560,156**	-
Construction contract costs	**9,218,100**	11,544,283
Timber related costs	**2,769,185**	-
	16,875,387	24,659,619

27. **OTHER INCOME**

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Administrative income	**3,065,190**	5,564,425	**-**	-
Deposits forfeited	**9,794**	95,872	**-**	-
Dividend income from investment in quoted unit trusts	**304,330**	647,839	**16,846**	127,230
Fair value gain on investment properties	**237**	17,118,801	**-**	-
Gain on derecognition of right-of-use asset and lease liability	**-**	1,029,263	**-**	-
Gain on disposal of property, plant and equipment	**139,775**	15,499	**-**	-
Interest income				
- Financial institutions	**470,666**	778,313	**39,950**	72,969
- Amount due from subsidiaries	**-**	-	**4,586,051**	5,830,456
- Others	**1,760**	5,108	**-**	-
Miscellaneous income	**137,125**	158,521	**92,115**	83,922
Rental income	**175,739**	578,640	**-**	-
Rent concessions	**-**	1,495,258	**-**	-
Reversal of allowance for expected credit losses	**19,962**	3,000	**-**	18,759
Reversal of impairment loss on investment in subsidiaries	**-**	-	**659,862**	1,743,489
	4,324,578	27,490,539	**5,394,824**	7,876,825

28. (LOSS)/PROFIT BEFORE TAX

This is arrived at after charging:

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Audit fee				
- statutory audit				
- current year	**111,000**	110,000	**38,000**	35,000
- under provision in prior year	**1,000**	3,000	**-**	-
- other services	**3,000**	3,000	**3,000**	3,000
Administrative fee	**-**	-	**257,000**	246,000
Depreciation of property, plant and equipment	**305,138**	450,778	**9,030**	12,929
Depreciation of right-of-use asset	**-**	7,635,029	**-**	-
Directors' fee for non-executive directors	**240,000**	192,000	**240,000**	192,000
Expense relating to lease of low value assets	**1,738**	3,848	**-**	-
Fair value loss on investment properties	**30,806**	45,000	**30,806**	45,000
Human resources service fee	**-**	-	**72,000**	63,000
Impairment loss on investment in a subsidiary	**-**	-	**30,164**	156,996
Interest expenses on:				
- Finance lease liabilities	**11,416**	20,287	**-**	-
- Term loans	**2,626,407**	2,890,908	**-**	-
- Bank overdrafts	**73,274**	76,239	**37,922**	39,178
- Late payment	**580,593**	1,033	**-**	-
- Lease liability (accretion of interest)	**-**	2,365,784	**-**	-
- Amount due from subsidiaries	**-**	-	**221,609**	45,263
Information technology support service fee	**-**	-	**72,000**	63,000
Property, plant and equipment written off	**29,993**	9,780	**-**	-
* Staff costs	**3,316,811**	6,128,381	**332,860**	700,727
* **Staff costs**				
- Salaries, wages, overtime, allowances, incentive and bonus	**2,949,673**	4,683,219	**296,161**	624,000
- EPF	**337,349**	567,641	**35,544**	74,880
- SOCSO	**26,844**	50,009	**1,036**	1,657
- Employment Insurance System ('EIS')	**2,945**	5,512	**119**	190
- Termination benefits	**-**	822,000	**-**	-
	3,316,811	6,128,381	**332,860**	700,727

28. **(LOSS)/PROFIT BEFORE TAX** (CONT'D)

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	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Salaries and bonus	**426,161**	754,000	**296,161**	624,000
EPF	**35,544**	74,880	**35,544**	74,880
SOCSO and EIS	**1,748**	2,441	**1,155**	1,847
	463,453	831,321	**332,860**	700,727
Benefits-in-kind	**31,415**	46,638	**-**	-
	494,868	877,959	**332,860**	700,727

29. **TAX EXPENSE**

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	**(1,225,000)**	(2,352,000)	**(843,000)**	(1,249,000)
- Deferred tax relating to the origination and reversal of temporary differences	**(145,204)**	(1,816,900)	**3,699**	1,410
	(1,370,204)	(4,168,900)	**(839,301)**	(1,247,590)
(Under)/Over provision in prior year				
- Current tax	**(2,691,388)**	77,527	**167,137**	(170,065)
- Deferred tax	**-**	334,915	**-**	(5,000)
	(2,691,388)	412,442	**167,137**	(175,065)
	(4,061,592)	(3,756,458)	**(672,164)**	(1,422,655)

29. **TAX EXPENSE** (CONT'D)

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

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
(Loss)/Profit before tax	**(6,374,905)**	19,917,616	**3,201,193**	5,490,797
Income tax at Malaysian statutory tax rate of 24%	**1,529,977**	(4,780,228)	**(768,286)**	(1,317,791)
Income not subject to tax	**842,556**	5,931,608	**173,396**	448,973
Expenses not deductible for tax purposes	**(2,712,897)**	(2,137,380)	**(244,411)**	(379,182)
Deferred tax assets not recognised	**(1,379,840)**	(1,351,000)	**-**	-
Utilisation of unrecognised deferred tax assets	**350,000**	-	**-**	-
Effect of real property gains tax rate applied on the fair value changes of the investment properties	**-**	(1,831,900)	**-**	410
	(1,370,204)	(4,168,900)	**(839,301)**	(1,247,590)
(Under)/Over provision in prior year	**(2,691,388)**	412,442	**167,137**	(175,065)
	(4,061,592)	(3,756,458)	**(672,164)**	(1,422,655)

During the financial year, three subsidiaries were subjected to an Inland Revenue Board ("IRB") tax investigation covering the years of assessment 2014 to 2020. The estimated tax exposure arising from the tax investigation is approximately **RM4,916,965** inclusive of estimated tax penalty based on the issues raised by IRB.

The following deferred tax assets (gross amount) 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	
	2021 RM	2020 RM
Unabsorbed capital allowances	**2,305,000**	2,292,000
Unused tax losses	**43,213,000**	38,011,000
Other deductible temporary differences	**98,000**	1,022,000
	45,616,000	41,325,000

The gross 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 as follows:

	GROUP	
	2021 RM	2020 RM
Unabsorbed capital allowances	**4,219,000**	2,324,000
Unused tax losses	**43,352,000**	38,011,000

The unused tax losses can be carried forward for seven consecutive years of assessment immediately following that year of assessment of which tax losses was incurred and this is effective from year of assessment 2018. However, unabsorbed capital allowances can be carried forward indefinitely.

29. **TAX EXPENSE** (CONT'D)

The expiry of the unused tax losses is as follows:

	2021 RM	2020 RM
Year of assessment 2025	**32,808,000**	32,808,000
Year of assessment 2026	**3,011,000**	3,011,000
Year of assessment 2027	**2,192,000**	2,192,000
Year of assessment 2028	**5,341,000**	-
	43,352,000	38,011,000

30. **(LOSSES)/EARNINGS PER SHARE**

Basic (losses)/earnings per share is calculated by dividing the (loss)/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	
	2021	2020
(Loss)/Profit attributable to owners of the Company (RM)	**(10,382,865)**	16,069,941
Weighted average number of ordinary shares	**237,056,184**	237,056,184
Basic (losses)/earnings per share (sen)	**(4.38)**	6.78

The (losses)/earnings per share is not diluted as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

31. **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

31. **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
2021									
Revenue									
External sales	(17,300)	4,885,704	3,004,028	5,820,224	4,465,639	644,050	-		18,802,345
Inter-segment sales	-	313,200	-	-	4,724,447	4,122,000	(9,159,647)	A	-
Total revenue	(17,300)	5,198,904	3,004,028	5,820,224	9,190,086	4,766,050	(9,159,647)		18,802,345
Result									
Segment results	989,774	1,865,068	13,079	(224,741)	(2,790,109)	(3,408,712)			(3,555,641)
Interest income									472,426
Operating loss									(3,083,215)
Finance costs									(3,291,690)
Loss before tax									(6,374,905)
Tax expense									(4,061,592)
Loss for the financial year									(10,436,497)
Assets									
Segment assets	5,738,019	129,959,525	12,068,362	140,467,390	134,223,028	3,376,858			425,833,182
Current tax assets									2,823,303
Total assets									428,656,485

31. **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
2021									
Liabilities									
Segment liabilities	**4,548,161**	**86,251,896**	**1,565,566**	**2,831,705**	**29,581,691**	**582,285**			**125,361,304**
Deferred tax liabilities									**2,138,331**
Current tax liabilities									**2,834,427**
Total liabilities									**130,334,062**
Other information									
Additions to non-current assets	**-**	**4,186**	**-**	**-**	**5,000**	**123,724**		**B**	**132,910**
Depreciation of property, plant and equipment	**5,465**	**12,583**	**-**	**9,500**	**159,768**	**117,822**			**305,138**
Non-cash (income)/ expenses other than depreciation	**7,595**	**30,569**	**-**	**(88,999)**	**(50,776)**	**2,436**		**C**	**(99,175)**

31. **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

31. **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									
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)

31. **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:

	2021 RM	2020 RM
Fair value loss/(gain) on investment properties, net	**30,569**	(17,073,801)
Gain on derecognition of right-of-use asset and lease liability	**-**	(1,029,263)
Gain on disposal of property, plant and equipment	**(139,775)**	(15,499)
Property, plant and equipment written off	**29,993**	9,780
Rent concessions	**-**	(1,495,258)
Reversal of allowance for expected credit losses	**(19,962)**	(3,000)
	(99,175)	(19,607,041)

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** (2020: 1) major customer which contributed more than 10% of the Group's revenue from the construction and provision of marketing services segments amounted to **RM5,130,678** (2020: RM19,625,577).

32. **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.

	GROUP	
	2021 RM	2020 RM
Disposal of a motor vehicle to a former director	**207,230**	-

32. **RELATED PARTY DISCLOSURES** (CONT'D)

(ii) **Related party transactions** (cont'd)

	COMPANY	
	2021 RM	2020 RM
Administrative fee paid/payable to a subsidiary	**257,000**	246,000
Human resources service fee paid/payable to a subsidiary	**72,000**	63,000
Information technology support service fee paid/payables to a subsidiary	**72,000**	63,000
Interest expense paid/payable to subsidiaries	**221,609**	45,263
Interest income received/receivable from subsidiaries	**4,586,051**	5,830,456
Corporate guarantee fee received/receivable from subsidiaries	**86,288**	83,018

(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	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Short term employee benefits	**811,118**	1,570,475	**297,316**	625,847
Defined contribution plan	**75,459**	168,951	**35,544**	74,880
	886,577	1,739,426	**332,860**	700,727
Analysed as:				
- Directors	**494,868**	877,959	**332,860**	700,727
- Key management personnel	**391,709**	861,467	**-**	-
	886,577	1,739,426	**332,860**	700,727

33. FINANCIAL INSTRUMENTS

33.1 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	AC	FVTPL
	RM	RM	RM
GROUP			
2021			
Financial assets			
Trade receivables	**53,482,565**	**53,482,565**	**-**
Other receivables and refundable deposits	**82,298,900**	**82,298,900**	**-**
Other investments	**13,365,475**	**-**	**13,365,475**
Deposits with licensed banks	**18,428,123**	**18,428,123**	**-**
Cash and bank balances	**3,027,560**	**3,027,560**	**-**
	170,602,623	**157,237,148**	**13,365,475**
Financial liabilities			
Borrowings	**80,180,533**	**80,180,533**	**-**
Trade payables	**10,493,560**	**10,493,560**	**-**
Other payables and accruals excluding SST payables and rental received in advance	**34,587,796**	**34,587,796**	**-**
	125,261,889	**125,261,889**	**-**
2020			
Financial assets			
Trade receivables	56,633,956	56,633,956	-
Other receivables and refundable deposits	96,504,479	96,504,479	-
Other investments	18,445,748	-	18,445,748
Deposits with licensed banks	20,133,604	20,133,604	-
Cash and bank balances	5,258,443	5,258,443	-
	196,976,230	178,530,482	18,445,748
Financial liabilities			
Borrowings	91,988,425	91,988,425	-
Trade payables	19,283,894	19,283,894	-
Other payables and accruals excluding SST payables and rental received in advance	34,803,884	34,803,884	-
	146,076,203	146,076,203	-

33. **FINANCIAL INSTRUMENTS** (CONT'D)

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

	Carrying amount	AC	FVTPL
	RM	RM	RM
COMPANY			
2021			
Financial assets			
Other receivables and refundable deposits	**760**	**760**	**-**
Amount due from subsidiaries	**157,063,354**	**157,063,354**	**-**
Deposits with licensed banks	**1,045,933**	**1,045,933**	**-**
Cash and bank balances	**275,187**	**275,187**	**-**
	158,385,234	**158,385,234**	**-**
Financial liabilities			
Borrowings	**1,256,159**	**1,256,159**	**-**
Trade payables	**2,444**	**2,444**	**-**
Other payables and accruals	**370,683**	**370,683**	**-**
Amount due to subsidiaries	**7,531,681**	**7,531,681**	**-**
	9,160,967	**9,160,967**	**-**
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	-

33.2 **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.

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **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.

33.3.1 **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	Allowance for expected credit losses	Net
	RM	RM	RM
GROUP			
2021			
Not past due	**8,529,263**	**-**	**8,529,263**
Past due 1 to 30 days	**117,780**	**-**	**117,780**
Past due 31 to 60 days	**398,662**	**-**	**398,662**
Past due more than 60 days	**44,436,860**	**-**	**44,436,860**
	44,953,302	**-**	**44,953,302**
Impaired	**7,974,685**	**(7,974,685)**	**-**
	61,457,250	**(7,974,685)**	**53,482,565**
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	46,352,994	-	46,352,994
	46,515,845	-	46,515,845
Impaired	7,994,647	(7,994,647)	-
	64,628,603	(7,994,647)	56,633,956

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk** (cont'd)

33.3.1 **Receivables** (cont'd)

	Gross	Allowance for expected credit losses	Net
	RM	RM	RM
COMPANY			
2021			
Past due more than 60 days	**135,124**	**(135,124)**	**-**
2020			
Past 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 **RM44,953,302** (2020: RM46,515,845) 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** (2020: 1 customer) representing **92%** (2020: 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.

	Gross	Allowance for expected credit losses	Net
	RM	RM	RM
Credit risk rating			
GROUP			
2021			
Low risk	**53,482,565**	**-**	**53,482,565**
Individually impaired	**7,974,685**	**(7,974,685)**	**-**
	61,457,250	**(7,974,685)**	**53,482,565**

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk** (cont'd)

33.3.1 **Receivables** (cont'd)

Maximum exposure to credit risk (cont'd)

	Gross	Allowance for expected credit losses	Net
	RM	RM	RM
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

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.

33.3.2 **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.

33.3.3 **Financial guarantees**

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

	COMPANY	
	2021	2020
	RM	RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	**96,650,000**	141,650,000
- Maximum exposure	**78,074,484**	84,420,941

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.3 **Credit risk** (cont'd)

33.3.3 **Financial guarantees** (cont'd)

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.

33.4 **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:

	Carrying amount	Contractual cash flows	Within 1 year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years
	RM	RM	RM	RM	RM	RM
GROUP						
2021						
Non-derivative financial liabilities						
Borrowings	**80,180,533**	**102,338,442**	**16,007,590**	**7,944,490**	**22,711,882**	**55,674,480**
Trade payables	**10,493,560**	**10,493,560**	**10,493,560**	**-**	**-**	**-**
Other payables and accruals excluding SST payables and rental received in advance	**34,587,796**	**34,587,796**	**34,587,796**	**-**	**-**	**-**
Total undiscounted financial liabilities	**125,261,889**	**147,419,798**	**61,088,946**	**7,944,490**	**22,711,882**	**55,674,480**
2020						
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 and rental received in advance	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

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.4 **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 **RM78,074,484** (2020: RM84,420,941) 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.

33.5 **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 follows:

	GROUP		COMPANY	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Fixed rate instruments				
Financial assets	**18,428,123**	20,133,604	**156,279,625**	147,369,744
Financial liabilities	**98,686**	18,590,072	**7,531,681**	7,004,349
Floating rate instruments				
Financial liabilities	**80,081,847**	73,398,353	**1,256,159**	-

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 the profit before tax of the Group by **RM136,485** (2020: RM80,872) and of the Company by **RM1,470** (2020: Nil) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

33.6 **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.

33. **FINANCIAL INSTRUMENTS** (CONT'D)

33.6 **Market price risk** (cont'd)

Sensitivity analysis for market price risk

A 5% increase/decrease in the quoted prices of unit trusts at the end of the reporting period would have (decreased)/increase in (loss)/profit before tax by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on investment in quoted unit trust.

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
(Decrease)/Increase in (loss)/profit before tax	**(668,274)**	922,287	**-**	190,000

34. **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.

34.1 **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	Level 2	Level 3	Total fair value	Carrying amount
	RM	**RM**	**RM**	**RM**	**RM**
GROUP					
2021					
Investment properties	**-**	**-**	**116,062,014**	**116,062,014**	**116,062,014**
Non-current asset held for sale	**-**	**-**	**110,000**	**110,000**	**110,000**
2020					
Investment properties	-	-	116,177,820	116,177,820	116,177,820
Non-current asset held for sale	-	-	705,000	705,000	705,000

34. **FAIR VALUE MEASUREMENT** (CONT'D)

34.1 **Non-financial assets that are measured at fair value** (cont'd)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
COMPANY					
2021					
Investment properties	**-**	**-**	**739,194**	**739,194**	**739,194**
Non-current asset held for sale	**-**	**-**	**110,000**	**110,000**	**110,000**
2020					
Investment properties	-	-	880,000	880,000	880,000
Non-current asset held for sale	-	-	705,000	705,000	705,000

34.2 **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					
2021					
Financial asset					
Other investments	**13,365,475**	**-**	**-**	**13,365,475**	**13,365,475**
2020					
Financial asset					
Other investments	18,445,748	-	-	18,445,748	18,445,748
COMPANY					
2020					
Financial asset					
Other investments	3,800,000	-	-	3,800,000	3,800,000

34. **FAIR VALUE MEASUREMENT** (CONT'D)

34.2 **Financial assets that are measured at fair value on a recurring basis** (cont'd)

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, Level 2 and Level 3 during the financial year.

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of the reporting period.

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.

35. **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.

The Group and the Company consider their total equity and total loans and borrowings to be the key components of their 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	
	2021 RM	2020 RM	**2021 RM**	2020 RM
Total borrowings	**80,180,533**	91,988,425	**1,256,159**	-
Less: Cash and banks balances	**(3,027,560)**	(5,258,443)	**(275,187)**	(1,619,679)
Deposits with licensed banks	**(18,428,123)**	(20,133,604)	**(1,045,933)**	(1,026,023)
Net debt/(Net cash)	**58,724,850**	66,596,378	**(64,961)**	(2,645,702)
Total equity	**298,322,423**	308,758,920	**280,565,863**	278,036,834
Gearing ratio	**0.20**	0.22	**-**	-

36. 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 2021, the ESOS has been expired.

37. 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. ("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 37 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) loss and damage for breach of contract;
(viii) interest at 5% per annum on item (i) to (vi); and
(ix) 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. 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. Currently, all proceedings have been stayed pursuant to Section 10 of the Arbitration Act 2005 and the dispute is now referred to arbitration. Pursuant to Asian International Arbitration Centre's appointment, the Arbitrator had issued Procedural Order No.1 and parties are to comply with the Arbitrator's procedural orders stated therein. The hearing for arbitration is now fixed from 18 July 2022 until 7 October 2022.

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 has been released by the Company's solicitor to Wabina during the financial year. SPKL, however, had appealed the Adjudication Decision to Court of Appeal. On 30 September 2021, the Court of Appeal had dismissed SPKL's appeal.

37. **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 under Interim Certificate of Payment No. 37 and RM21,190,132 under progress claim No. 38. The Tribunal has handed down the Adjudication Decision on 18 May 2021 and held the following:

No.	Description	Amount RM
i.	Interim Certificate of Payment No. 37	8,688
ii.	Progress claim No. 38	5,180,381
iii.	Legal cost	65,000
iv.	Adjudicator fee	89,615
v.	Other expenses	19,687
	Total	5,363,371

vi. Payment shall be paid within 30 days from the date of decision

vii. Late payment interest at 5% per annum from the decision date

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.

Pursuant to the Adjudication Decision on 18 May 2021, Wabina has filed an Originating Summons at the High Court to enforce the Adjudication Decision. The High Court has fixed for case management on 18 October 2021.

On 1 July 2021, SPKL had filed an Originating Summons, an injunction against Wabina, to restrain Wabina from presenting or filing a petition to wind-up SPKL. The High Court had granted interim injunctions to restrain Wabina from presenting winding-up petition against SPKL until the disposal of the Originating Summon. The matter is fixed for case management on 13 January 2022.

Wabina had 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 8 October 2021.

38. **SIGNIFICANT EVENTS**

(i) The World Health Organisation declared the 2019 Novel Coronavirus ("COVID-19") outbreak a pandemic on 11 March 2020. This was followed by our government issuing a Gazetted Order known as the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restrictions, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

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.

38. **SIGNIFICANT EVENTS** (CONT'D)

(ii) On 9 September 2021, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of 23,000,000 new ordinary shares through private placement at an issue price of RM0.346 per ordinary share.

39. **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year's presentation as follows:

	Previously stated	Reclassification	Restated
	RM	RM	RM
GROUP			
2020			
Statements of financial position			
Contract liabilities	**64,156**	**(64,156)**	**-**
Other payables and accruals	**34,943,859**	**64,146**	**35,008,015**

GROUP PROPERTIES
AS AT 30 JUNE 2021

Location of Property	Date of Acquisition/ (Age of Building)	Area/Unit	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 September 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 September 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 October 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 October 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 October 1999	940.00 sq.metres	Freehold	Vacant land for development	961,615
G.M 5796, Lot No. 117 Mukim Kuah Langkawi, Kedah.	11 October 1999	4,324.00 sq.metres	Freehold	Vacant land for development	4,518,030

GROUP PROPERTIES
AS AT 30 JUNE 2021

Location of Property	Date of Acquisition/ (Age of Building)	Area/Unit	Tenure	Description/ Existing Use	Carrying Amount (RM)
Subsidiary Companies					
Bayan City Jalan Mayang Pasir 3 11950 Bayan Baru, Penang.	25 July 2013 & 15 March 2017	58 units	Freehold	Commercial & residential lot	60,105,000
"Kompleks Permaisuri Q" No 6, Jalan Sri Permaisuri Bandar Sri Permaisuri, Cheras 56000 Kuala Lumpur.	2 April 2019 & 5 August 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 January 2010	7,511.00 sq.metres	Freehold	Development	1,914,364
H.S.(D) 90454 PT 48857 Bandar Sungai Petani Kuala Muda, Kedah.	5 March 2013	375,655.70 sq.metres	Freehold	Development	15,246,252
Lot No. 72020 Mukim 12, Daerah Barat Daya Penang.	2 August 2017	2.91 hectare	Freehold	Development	77,417,425

ANALYSIS OF SHAREHOLDINGS
as at 30 September 2021

Total number of shares issued	:	260,056,184 *(Excluding 5,896,500 of Treasury Shares)*
Class of Shares	:	Ordinary shares
Voting Right	:	1 vote per ordinary share

1. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of total shareholders	No. of shares	% of total issued capital
Less than 100	227	3.63	8,048	*
100 to 1,000	1,874	29.94	1,658,174	0.62
1,001 to 10,000	3,056	48.83	13,288,434	5.00
10,001 to 100,000	946	15.11	29,757,245	11.19
100,001 to less than 5% of issued shares	152	2.43	120,065,383	45.15
5% and above of issued shares	4	0.06	101,175,400	38.04
TOTAL	6,259	100.00	262,952,684	100.00

Note:
* Negligible

2. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

	Name	No. of Shares	% of total issued capital
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Guik Lan	42,917,000	16.50
2.	Koay Shean Loong	24,894,200	9.57
3.	Kesan Anggun Sdn. Bhd.	20,000,000	7.69
4.	Poly Dynamic Motion Sdn. Bhd.	13,364,200	5.14
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Southern Corporation (Nibong Tebal) Sdn. Bhd. for Tan Lee Sim	11,700,000	4.50
6.	Song Kim Lee	7,650,000	2.94
7.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for She Siew Pheng	5,700,000	2.19
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Resolute Accomplishment Sdn. Bhd.	5,660,300	2.18
9.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Triumphant View Sdn. Bhd.	5,048,417	1.94
10.	Song Phaik Gim	5,000,000	1.92
11.	Resolute Accomplishment Sdn. Bhd.	4,010,800	1.54
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Tan Kok Hiong	4,000,000	1.54
13.	Yow Yan Seong	2,349,100	0.90
14.	See Lam Tean @ Tan-See Lam Tean	2,212,200	0.85
15.	Tee Ah Swee	2,019,700	0.78

ANALYSIS OF SHAREHOLDINGS
as at 30 September 2021

2. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

	Name	No. of Shares	% of total issued capital
16.	Fong Chee Poong	2,000,000	0.77
17.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Phuah Cheng Peng	2,000,000	0.77
18.	Fang Siew Poh	1,906,900	0.73
19	Tan Guik Lan	1,867,100	0.72
20.	Tee Ah Swee	1,822,400	0.70
21	Foo Keng Wai	1,800,000	0.69
22.	Phuah Lee Pieng	1,683,600	0.65
23.	Lee Kah Soon	1,579,800	0.61
24.	Chew Teik San	1,500,000	0.58
25.	Maybank Nominees (Tempatan) Sdn. Bhd. Beh Swee Seong	1,500,000	0.58
26.	Chai Mooi Chong	1,368,800	0.53
27.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Young Chuan Kim	1,300,000	0.50
28.	Goh Chin Heng	1,250,000	0.48
29.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sor Ah Kee	1,152,900	0.44
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Chua Eng Ho Wa'a @ Chua Eng Wah	1,011,300	0.39

3. SUBSTANTIAL SHAREHOLDERS

Base on 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:

		Direct Interest		Indirect Interest	
	Name	No. of shares held	% of issued capital	No. of shares held	% of issued capital
1.	Datin Sri Tan Guik Lan	44,784,100	18.89	-	-
2.	Koay Shean Loong	24,894,200	10.50	-	-
3.	Kesan Anggun Sdn. Bhd.	20,000,000	8.44	-	-
4.	Poly Dynamic Motion Sdn. Bhd.	13,364,200	5.64	-	-
5.	Chuah Chong Ewe	1,075,000	0.45	13,364,200^	5.64^
6.	Yow Kah Wai	-	-	20,000,000*	8.44*
7.	Saw Seng Kew	-	-	20,000,000*	8.44*

^ Deemed interest by virtue of his interest in Poly Dynamic Motion Sdn. Bhd.
* Deemed interest by virtue of his interest in Kesan Anggun Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS
as at 30 September 2021

4. DIRECTORS' SHAREHOLDINGS

	Name	Direct Interest		Indirect Interest	
		No. of shares held	% of issued capital	No. of shares held	% of issued capital
1.	Tuan Haji Abdul Hamid bin Mohd Hassan	-	-	-	-
2.	Koay Shean Loong	24,894,200	10.50	-	-
3.	Datuk Tan Hiang Joo	29,000	0.01	-	-
4.	Chee Wai Hong	-	-	-	-
5.	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid	-	-	-	-
6.	Datin Sri Tan Guik Lan	44,784,100	18.89	-	-
7.	Yow Yan Seong	3,008,400	1.27	1,733,000^	0.73^
8.	Tan Seong Hooi	65,000	0.03	-	-

^ Held in the name of immediate family members and is treated as interest of the Director in accordance with Section 59(11)(c) of the Companies Act, 2016.

INTEREST IN RELATED CORPORATIONS

Koay Shean Loong, by virtue of his interest in shares in the Company, is deemed interested in shares of all the Company's related corporations to the extent that the Company has an interest. Save as disclosed above, none of the other Directors in office has any interest in shares in the Company's related corporations as at 30 September 2021.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-ninth Annual General Meeting ("59th AGM") of Seal Incorporated Berhad will be conducted on fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 29 December 2021 at 10.30 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in this notice:-

Day and Date	:	Wednesday, 29 December 2021
Time	:	10.30 a.m.
Online Meeting Platform/Venue	:	Fully virtual via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	(i) Typed text in the online meeting platform during the 59th AGM. (ii) Submission of questions by logging in to the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the 59th AGM.

AGENDA

As ORDINARY BUSINESS **Ordinary Resolution**

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Directors' and Auditors' Reports thereon. ***Please refer to Note 3***

2. To approve payment of Directors' fees of RM240,000 in respect of the financial year ended 30 June 2021. ***Resolution 1***

3. To approve the payment of benefits payable to the Directors up to an amount of RM200,000 from 29 December 2021 until the next Annual General Meeting ("AGM") of the Company to be held in year 2022. ***Resolution 2***

4. To re-elect Tuan Haji Abdul Hamid bin Mohd Hassan retiring under the provision of Article 101(a) of the Company's Constitution and who being eligible, has offered himself for re-election. ***Resolution 3***

5. To re-elect the following Directors retiring under the provision of Article 99 of the Company's Constitution and who being eligible have offered themselves for re-election:-

   (i) Koay Shean Loong ***Resolution 4***
   (ii) Datin Sri Tan Guik Lan ***Resolution 5***
   (iii) Tan Seong Hooi ***Resolution 6***

6. To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Resolution 7***

NOTICE OF ANNUAL GENERAL MEETING

As SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modifications:-

7. **Proposed Authority to Allot and Issue Shares** ***Resolution 8***

"That subject to the Companies Act 2016, the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities"), and any other governmental and/ or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the capital of the Company from time to time at such price to such persons and upon such terms and conditions, for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being and 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.

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."

8. **Proposed Renewal of Share Buy Back Authority** ***Resolution 9***

"That subject to the Companies Act 2016, the provisions of the Company's Constitution, the Main Market Listing Requirements ("MMLR") of 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 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; 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.

8. **Proposed Renewal of Share Buy Back Authority** (Cont'd)

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

(i) the conclusion of the next AGM 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 AGM 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 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."

9. To consider any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

Lim Choo Tan (LS 0008888) (SSM PC No. 202008000713)
Chew Siew Cheng (MAICSA 7019191) (SSM PC No. 202008001179)
Joint Company Secretaries

Penang, 29 October 2021

NOTES:

1. Retirement and Non Re-election of Director

1.1 Mr. Chee Wai Hong who retires in accordance with Article 101(a) of the Company's Constitution, has notified the Company that he does not wish to seek for re-election and accordingly will retire at the conclusion of the 59th AGM. The Board of Directors of the Company has on 10 September 2021 announced the decision of Mr. Chee Wai Hong to retire in accordance with Article 101(a) of the Company's Constitution at the forthcoming 59th AGM.

2. Proxy

2.1 The 59th AGM will be conducted on fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the Administrative Guide for the 59th AGM in this Annual Report in order to register, participate and vote remotely via the Remote Participation and Electronic Voting facilities.

NOTES:

2. Proxy (Cont'd)

2.2 According to the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers revised by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.

2.3 For the purpose of determining who shall be entitled to attend the meeting, only members whose names appear on the Record of Depositors as at 22 December 2021 shall be eligible to participate and vote at the 59th AGM.

2.4 Every member is entitled to appoint not more than two (2) persons as his proxy. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

2.5 Every Member including authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, and an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple owners in one securities account ("Omnibus Account"), is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote in his stead at the 59th AGM, and that such proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy save that the proxy must be of full age. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 59th AGM. The members or their proxies may submit questions to the Company via real time submission of typed texts in the online meeting platform during the 59th AGM or by submitting the questions by logging in to the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the 59th AGM.

2.6 Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for 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.

2.7 The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointer or his/her attorney duly appointed under a Power of Attorney or, if such appointer is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director or its attorney duly appointed under a Power of Attorney. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

2.8 The instrument appointing the proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 59th AGM or any adjournments thereof:-

(a) **In Hardcopy Form**

The proxy form shall be completed and returned in accordance with the instructions therein to the Share Registrar at Boardroom Share Registrar Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(b) **By Electronic Means**

(i) Through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedures provided in the Administrative Guide of the 59th AGM in this Annual Report; or
(ii) The proxy forms shall be electronically lodged to bsr.helpdesk@boardroomlimited.com or fax to (+603)78904670.

2.9 The last date and time for lodging the proxy form is Monday, 27 December 2021, 10.30a.m.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

3. **Item 1 of the Agenda**
Audited Financial Statements for the financial year ended 30 June 2021

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

4. **Ordinary Resolution 1**
Payment of Directors' fees for the financial year ended 30 June 2021

The proposed Directors' fees of RM240,000 for the financial year ended 30 June 2021, an increase of RM48,000 from RM192,000 in the financial year ended 30 June 2020, is to be paid to all Non-Executive Directors of the Company for the financial year ended 30 June 2021. The increase is due to additional Non-Executive Directors being appointed during the financial year ended 30 June 2021. The payment of Directors' fees to all Non-Executive Directors in respect of financial year ended 30 June 2021 will only be made if the proposed Resolution 1 has been passed at the 59th AGM pursuant to the Company's Constitution and Section 230(1)(b) of the Companies Act 2016.

5. **Ordinary Resolution 2**
Payment of benefits payable to the Directors

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. The benefits payable to the Directors pursuant to Section 230(1)(b) of the Companies Act 2016 have been reviewed by the Board of Directors of the Company, which recognises that the benefits payable are in the best interest of the Company for the applicable period from 29 December 2021 up to the conclusion of the next AGM. The benefits comprise of Directors and Officers Liability Insurance, benefits in kind, bonus, meeting allowance and others for Directors.

6. **Ordinary Resolution 8**
Authority to allot and issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the 59th AGM of the Company. The Company had been granted a general mandate by its shareholders at the Fifty-eighth Annual General Meeting of the Company held on 21 December 2020 whereby the Board has been authorised to issue and allot new shares not exceeding twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue ("Previous Mandate").

The Previous Mandate had been utilised for a Private Placement exercise where on 9 September 2021, the Company has allotted 23,000,000 new ordinary shares at an issue price of RM0.346 per share. Further details on the Private Placement and utilisation of the proceeds raised is available under Additional Compliance page of this Annual Report.

7. **Ordinary Resolution 9**
Proposed Renewal of Share Buy Back Authority

The proposed Resolution 9 if passed, will empower the Directors to purchase the Company's shares through Bursa Securities 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 29 October 2021.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF AGM PURSUANT TO PARAGRAPH 8.27(2) OF THE MMLR

1. **Details of individuals who are standing for election as Directors**

   No individual is standing for election as a Director at the forthcoming 59th AGM of the Company.

2. **The renewal of General mandate for issue of securities in accordance with Paragraph 6.03(3) of the MMLR**

   Details of the renewal of General Mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Note 6 of the Notice of the 59th AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 59th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 59th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 59th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

ADMINISTRATIVE GUIDE FOR THE FULLY VIRTUAL FIFTY-NINTH ("59TH") ANNUAL GENERAL MEETING ("AGM")

Day, Date and Time	:	Wednesday, 29 December 2021 at 10.30 a.m. or at any adjournment thereof.
Main Venue	:	Fully virtual via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657).
Mode of Meeting	:	(i) Typed text in the online meeting platform during the 59th AGM. (ii) Shareholders may submit questions by logging in to the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com prior to the 59th AGM.

MODE OF MEETING

In view of the COVID-19 pandemic and the Company's initiative to curb the spread of COVID-19, the **59th AGM** of the Company will be conducted fully virtual via the online meeting platform.

The conduct of a fully virtual 59th AGM is in line with the revised Guidance Note and Frequently Asked Questions ("**the Revised Guidance Note and FAQ**") by the Securities Commission Malaysia on 16 July 2021. The Revised Guidance Note and FAQ states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gatherings no matter how small are prohibited.

According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

We strongly encourage you to participate in the 59th AGM via the Virtual Meeting Facilities provided to exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the 59th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 59th AGM.

Kindly ensure that you are connected to the internet at all times to participate and vote when our 59th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the 59th AGM is maintained. Kindly note that the quality of the live webcast is dependent on the bandwidth and stability of the internet connection of the participants.

VOTING PROCEDURE

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 59th AGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

ADMINISTRATIVE GUIDE

ONLINE REGISTRATION PROCEDURES

PROCEDURE		ACTION
BEFORE THE DAY OF THE 59TH AGM		
1.	Register Online with Boardroom Smart Investor Portal *(For first time registration only)*	*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register. You may proceed to Step 2.]* a. Access website https://investor.boardroomlimited.com b. Click <<**Register**>> to sign up as a user. c. Complete registration and upload softcopy of MyKad (front and back) or Passport in JPEG, PNG or PDF format. d. Please enter a valid email address. e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.
2.	Submit request for remote participation	Registration for remote access will be opened on 29 October 2021. Please note that the closing time to submit your request is at 10.30 a.m. on Monday, 27 December 2021 (48 hours before the commencement of the 59th AGM). **Individual Members** a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select **SEAL INCORPORATED BERHAD (59TH) ANNUAL GENERAL MEETING** from the list of Corporate Meetings and click "**Enter**". c. Click on "**Register for RPEV**". d. Read and accept the General Terms & Conditions and click "**Next**". e. Enter your CDS Account Number and thereafter submit your request. **Appointment of Proxy** a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select **SEAL INCORPORATED BERHAD (59TH) ANNUAL GENERAL MEETING** from the list of Corporate Meetings and click "**Enter**". c. Click on "**Submit eProxy Form**". d. Read and accept the General Terms and Conditions by clicking "**Next**" e. Enter your CDS Account Number and number of securities held. Select your proxy - either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies). f. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. g. Review and confirm your proxy appointment. h. Click "**Apply**". i. Download or print the eProxy form as acknowledgement. **Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee** a. Write in to bsr.helpdesk@boardroomlimited.com by providing the name of the Member and CDS Account Number, accompanied by the Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request. b. Please provide a copy of the Corporate Representative's or Proxy's MyKad (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

ADMINISTRATIVE GUIDE

ONLINE REGISTRATION PROCEDURES

PROCEDURE		ACTION
BEFORE THE DAY OF THE 59TH AGM		
3.	Email notification	a. You will receive notification(s) from Boardroom that your request(s) has/ have been received and is/are being verified. b. Upon system verification against the General Meeting Record of Depositors as at 22 December 2021, you will receive an email from Boardroom approving your registration for remote participation together with the Meeting ID and your remote access user ID and password. You will also be notified in the event your registration is rejected.
ON THE DAY OF THE 59TH AGM		
1.	Login to Meeting Platform	a. The Meeting Platform will be open for login one (1) hour before the commencement of the 59th AGM. b. The Meeting Platform can be accessed via one of the following: ➢ Scan the QR Code provided in the email notification; or ➢ Navigate to the website at https://meeting.boardroomlimited.my c. Insert the Meeting ID and sign in with the user ID and password provided to you via the email notification in Step 3.
2.	Participate	*[Note: Please follow the User Guides provided in the confirmation email above to view the live webcast, submit questions and vote.]* a. If you would like to view the live webcast, select the broadcast icon.  b. If you would like to ask a question during the 59th AGM, select the messaging icon.  c. Type your message within the chat box and once completed, click the send button.
3.	Voting	a. Once polling has been opened, the polling icon will appear with the resolutions and your voting choices until the Chairman declares the end of the voting session. b. To vote, select your voting direction from the options provided. A confirmation message will appear to indicate that your vote has been received. c. To change your vote, re-select your voting preference. d. If you wish to cancel your vote, please press “Cancel”.
4.	End of Participation	Upon the announcement by the Chairman on the closure of the 59th AGM, the live webcast will end.

ADMINISTRATIVE GUIDE

RECORD OF DEPOSITORS FOR THE 59TH AGM

For the purpose of determining whether a member is entitled to attend, participate and vote at the 59th AGM, the Company shall be requesting the Record of Depositors as at 22 December 2021. Only shareholders whose names appear in the Record of Depositors as at 22 December 2021 shall be entitled to attend, participate and vote at the 59th AGM or appoint proxy/proxies on his/her behalf.

PROXY FORM

Please ensure that the hard copy of the original proxy form is deposited with the Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com **(kindly refer to Step 2, online registration procedure above)** not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

REVOCATION OF PROXY

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the 59th AGM by yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy 48 hours before the meeting. On revocation, your proxy(ies) will not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

NO REFRESHMENTS AND NO DOOR GIFTS

There will be no distribution of refreshments and door gifts for the 59th AGM of the Company.

ENQUIRY

If you have any general enquiry prior to the 59th AGM, please contact the Share Registrar during office hours (Monday to Friday):

Boardroom Share Registrars Sdn. Bhd.

General Line	:	603-7890 4700
Fax Number	:	603-7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com

Personal Data Policy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SEAL

SEAL INCORPORATED BERHAD
Registration No.: 196201000416 (4887-M)
Incorporated in Malaysia

FORM OF PROXY

No. of Shares Held	CDS Account No.	Telephone No.	Email Address

I/We _____ NRIC No./ Company No. _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(FULL ADDRESS)

being a member of **SEAL INCORPORATED BERHAD**, hereby appoint the following person(s):

Proxy 1	**No. of Shares**	**%**
Full Name of Proxy as per NRIC:		
NRIC / Passport No.:		
Full Address:		
Email address:		
Contact No.:		

and/or failing him/her;

Proxy 2	**No. of Shares**	**%**
Full Name of Proxy as per NRIC:		
NRIC / Passport No.:		
Full Address:		
Email address:		
Contact No.:		
TOTAL NO. OF SHARES AND %TO BE REPRESENTED BY PROXY 1 AND PROXY 2		

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-ninth (59th) Annual General Meeting of the Company to be conducted on fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657) on Wednesday, 29 December 2021 at 10.30 a.m., and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution	**Ordinary Business**	**FOR**	**AGAINST**
1.	To approve the payment of Directors' Fees.		
2.	To approve the payment of benefits payable to the Directors.		
3.	To re-elect Tuan Haji Abdul Hamid bin Mohd Hassan as a Director of the Company.		
4.	To re-elect Koay Shean Loong as a Director of the Company.		
5.	To re-elect Datin Sri Tan Guik Lan as a Director of the Company.		
6.	To re-elect Tan Seong Hooi as a Director of the Company.		
7.	To re-appoint Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
	Special Business	**FOR**	**AGAINST**
8.	Authority to Allot and Issue Shares in Pursuant to Sections 75 and 76 of the Companies Act, 2016.		
9.	Proposed Renewal of Share Buy Back Authority.		

Note:
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.

Please note that the short description given above on the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. Shareholders are encouraged to refer to the Notice of 59th AGM for the full purpose and intent of the Resolutions to be passed.

Date:

Signature of shareholder

Common Seal to be affixed here if Shareholder is a Corporation

Please fold across the line and close

Notes:

1. The 59th AGM will be conducted on fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the Administrative Guide for the 59th AGM in order to register, participate and vote remotely via the Remote Participation and Electronic Voting facilities.
2. According to the Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers revised by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
3. For the purpose of determining who shall be entitled to attend the meeting, only members whose names appear on the Record of Depositors as at 22 December 2021 shall be eligible to participate and vote at the 59th AGM.
4. Every member is entitled to appoint not more than two (2) persons as his proxy. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
5. Every Member including authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and an Exempt Authorised Nominee who holds ordinary shares in the Company for multiple owners in one securities account ("Omnibus Account"), is entitled to appoint another person as his proxy to exercise all or any of his rights to participate, speak and vote in his stead at the 59th AGM, and that such proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy save that the proxy must be of full age. A proxy appointed by the member shall have the same rights as the member to participate, speak and vote at the 59th AGM.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for 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.
7. The instrument appointing a proxy or representative and the duly registered power of attorney or other authority, if any, shall be in writing under the hand of the appointer or his/her attorney duly appointed under a Power of Attorney or, if such appointer is a corporation, either under its common seal or under the hand of two (2) authorised officers, one of whom shall be a Director or its attorney duly appointed under a Power of Attorney. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

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80 SEN STAMP (Within Malaysia)

The Share Registrar

SEAL INCORPORATED BERHAD

Registration No.: 196201000416 (4887-M)

Ground Floor or 11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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8. The instrument appointing the proxy(ies) may be made in hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 59th AGM or any adjournments thereof:-
   (a) **<u>In Hardcopy Form</u>**

   The proxy form shall be completed and returned in accordance with the instructions therein to the Share Registrar at Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (b) **<u>By Electronic Means</u>**

   (i) Through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please follow the procedures provided in the Administrative Guide of the 59th AGM in this Annual Report; or

   (ii) The proxy forms shall be electronically lodged to bsr.helpdesk@boardroomlimited.com or fax to (+603)78904670.
9. The last date and time for lodging the proxy form is Monday, 27 December 2021, 10.30a.m.
10. Any alteration in this form must be initialed.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 59th AGM and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 59th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 59th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

SEAL
INCORPORATED BERHAD

Registration No.: 196201000416 (4887-M)

Level 3A Elit Avenue Business Park
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11950 Bayan Baru
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Fax : 604 637 0333

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