

SEAL
INCORPORATED BERHAD

Unlocking

Possibilities,

Propelling



Annual Report 2023

C O N T E N T S



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Cover Rationale

The microcosm of a thriving city presented in paper cut out style exemplifies Seal Incorporated Berhad Group's ("the Group") modern, collaborative and progressive outlook, with a focus on the synergy of strengths through teamwork, innovation and creativity.

Pulsing with the vibrancy of diversity and possibilities of potential, the simple yet expressive design paints a vibrant and harmonious picture of community stakeholders engaged in sporty, vibrant living. In line with the country's outlook of future-readiness, explorations of sustainable renewable energy solutions are under way, to help unlock a lower carbon footprint and protect the environment for future generations.

Like the soothing and seamless expanse of horizons portrayed, the Group is committed to a momentum of vibrant and continuous progress, working towards achieving both commercial successes and social fulfilment through nurturing and optimising human resources. Just as perspective drawings are the architectural blueprints which bring exciting visions to life, so is the Group, bringing together various possibilities to transform visions and enhance lives through its notable work across various business segments.



CORPORATE INFORMATION



Board Of Directors

Tuan Haji Abdul Hamid bin Mohd Hassan

Executive Chairman

Koay Shean Loong

*Group Chief Executive Officer,
Executive Director*

Datuk Tan Hiang Joo

Senior Independent Non-Executive Director

Sim Yee Fuan

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

Lee Swee Kheng

*Independent Non-Executive Director
(Appointed w.e.f. 17 October 2023)*

AUDIT COMMITTEE

Chairman

Sim Yee Fuan

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
Sim Yee Fuan

NOMINATING COMMITTEE

Chairman

Datuk Tan Hiang Joo

Members

Yang Teramat Mulia Raja Kecil
Tengah Perak Raja Dato' Seri Iskandar bin
Raja Ziran @ Raja Zaid
Sim Yee Fuan

SECRETARIES

Yeow Sze Min (MAICSA 7065735)
(SSM PC No. 201908003120)

Chin Lee Phing (MAICSA 7057836)
(SSM PC No. 202008000049)

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Penang, Malaysia
Tel No. : +604-263 1966
Fax No.: +604-262 8544
Email : info@sshsb.com.my

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
Email : BSR.Helpdesk@boardroomlimited.com

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 and AF:0737)
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

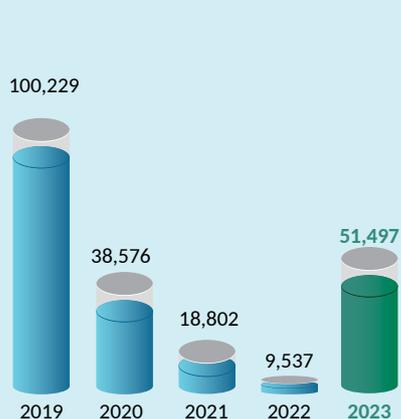
STOCK EXCHANGE LISTING

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

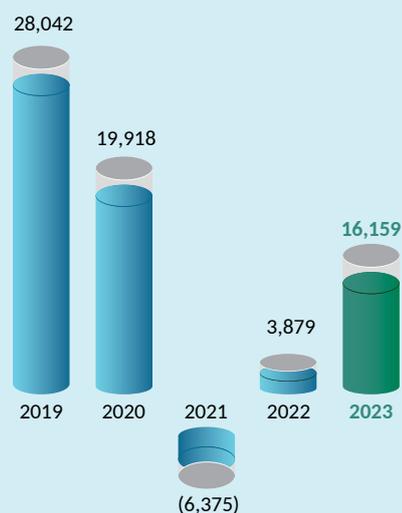
FINANCIAL HIGHLIGHTS

Year	2019	2020	2021	2022	2023
Revenue (RM'000)	100,229	38,576	18,802	9,537	51,497
Profit/(Loss) before tax (RM'000)	28,042	19,918	(6,375)	3,879	16,159
Profit/(Loss) after tax (RM'000)	19,844	16,161	(10,436)	4,551	11,562
Profit/(Loss) attributable to:					
owners of the parent (RM'000)	19,801	16,070	(10,383)	4,320	11,738
non-controlling interests (RM'000)	43	91	(54)	229	(176)
Total Assets (RM'000)	429,488	457,676	428,656	447,716	485,181
Shareholders' equity (RM'000)	286,669	302,739	292,356	310,472	331,732
Basic earnings/(losses) per share (sen)	8.35	6.78	(4.38)	1.61	4.03
Net assets per share (RM)	1.21	1.28	1.23	1.09	1.06

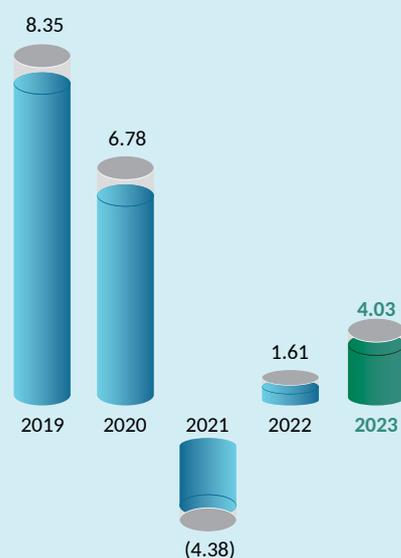
REVENUE (RM'000)



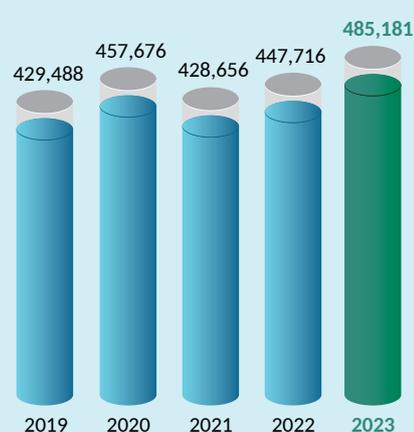
PROFIT/(LOSS) BEFORE TAX (RM'000)



BASIC EARNINGS/(LOSSES) PER SHARE (SEN)



TOTAL ASSETS (RM'000)



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Respected Shareholders and Valued Stakeholders,

We are honoured to present the Annual Report for Seal Incorporated Berhad ("SEAL") and its subsidiary companies ("SEAL Group"). Our journey, rooted in the integrated timber sector, has navigated a transformative trajectory that has led us to flourish in the construction and property industries. This report serves as a testament to our evolution, encompassing a comprehensive suite of services ranging from property development to property management, property investment, and building construction.

Our growth story has taken us far beyond our origins, propelling us to thrive in the dynamic domains of construction and property. Today, we stand proud as a diversified entity, poised to cater to the diverse demands of our discerning clientele. With an unwavering commitment to excellence and innovation, we have opened doors to new horizons and opportunities.

Among our notable accomplishments in 2023:

Bandar Sri Permaisuri, Cheras, Kuala Lumpur: A Self-Contained Urban Oasis

We take immense pride in completing and delivering phase 1 of Queensville and the continuation of phase 2. Spanning across an expansive 12.5-acre prime expanse within the burgeoning Bandar Sri Permaisuri township, Queensville stands as a focal point of distinction. With a remarkable Gross Development Value surpassing RM1.3 billion, this development has captured attention as one of Cheras' most significant undertakings.

Queensville, A Comprehensive Integrated Development

As a comprehensive integrated development, Queensville seamlessly harmonizes a myriad of amenities. Encompassing a shopping mall, an array of 49 premium retail units spanning 3 and 4-storey commercial shop lots, a distinguished office tower, three elegantly designed suites towers, and a collection of three serviced apartment blocks, Queensville epitomizes the concept of 'A Self-Contained City'. This innovative design ethos combines work, life, and commerce within a single architectural marvel.

Nestled at the heart of Bandar Sri Permaisuri, Queensville offers unparalleled connectivity. The project promises seamless access via major thoroughfares, including the Sungai Besi Expressway, Kuala Lumpur Putrajaya Highway, and the East-West Link Expressway. Furthermore, the development seamlessly integrates with diverse public transportation options, enhancing accessibility for residents and visitors alike. With a focus on enriching lifestyles and fostering a thriving community, Queensville is poised to redefine urban living within the vibrant landscape of Bandar Sri Permaisuri, Cheras, Kuala Lumpur.

Bayan Suite, Bayan Mutiara, Penang ("BAYAN SUITE")

BAYAN SUITE is designed as a mixed development that comprises 2-storey commercial shop lots and a collection of one serviced apartment block, where modern living meets urban convenience.

Nestled in the heart of Bayan Lepas, this innovative project seamlessly combines residential, commercial, and recreational spaces to create a lively and integrated community. BAYAN SUITE is easily accessible to Tun Dr. Lim Chong Eu Expressway, which links Georgetown, Penang to Northern Bayan Lepas/Bayan Baru. Furthermore, it is located in close proximity to Queensbay Mall, taking a median to Penang International Airport, and two of Southeast Asia's longest bridges, with an upcoming healthcare center and entertainment venues. Residents and visitors alike can enjoy the best that the city has to offer.

As we set our sights on the horizon, SEAL Group's dedication to excellence remains unshaken. The imminent commencement of Queensville phase 2, scheduled for the fourth quarter of 2023 and the commencement of BAYAN SUITE, estimated in the year 2024, signifies our unwavering commitment to progress. Simultaneously, we explore the potential in the vibrant Southwest District of Penang Island, a hotbed of prospects for our property development segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Innovative Excellence Across Diverse Realms:

The achievements we celebrate today are a reflection of the collective efforts of our dedicated team, the trust invested in us by our esteemed shareholders, and the steadfast support of our stakeholders. To each contributor, we extend our heartfelt gratitude. As we journey forward, our path is illuminated by our core principles of growth, innovation, and excellence.

We invite you to delve into the forthcoming pages, which provide a comprehensive insight into our achievements, strategies, and forward-looking aspirations.

FINANCIAL REVIEW FOR THE YEAR ENDED 30 JUNE 2023

In the fiscal year ended 30 June 2023, SEAL Group has showcased the pinnacle of excellence and commendable dynamism. A standout highlight is the SEAL Group's revenue, which soared to RM51.5 million, representing an overwhelming surge from the RM9.5 million of the preceding year, translating to a year-on-year growth of approximately 440%.

Several salient factors have fuelled this ascension:

Strategic Investments: The sale of strategic assets, particularly the vacant land in Bandar Sungai Petani, served as a significant contributor to the revenue spike.

Operational Efficiency: SEAL Group's operational acumen is reflected in the remarkable increase in the gross profit margin, which stood at RM24.4 million, a quantum leap from the previous year's RM4.9 million.

Examining the sub-components of our revenue, our multifaceted investments played an instrumental role. Income derived from investment properties remained the backbone of our revenues. Furthermore, the property development and construction sectors followed closely, reflecting the diversification of SEAL Group's investment strategy.

While there was an uptick in operating costs to RM14.4 million, up RM8.5 million from the previous year, another income stream countered this, soaring to RM3.2 million derived from the fair value gain under the properties investment sector. A testament to our adept financial management, SEAL Group posted a profit before tax of RM16.1 million, a sharp contrast to the RM3.9 million of yesteryear.

Delving into our profitability metrics, comprehensive income attributable to primary owners was RM11.7million, dwarfing the previous year's figure of RM4.3 million. In tandem with this growth, the earnings per share clocked at 4.03 sen, marking a significant increase from the preceding year's 1.61 sen.

Our equity game remained strong as well. Beginning the fiscal year at RM310.5 million, the balance grew to RM331.7 million by June's close, a testament to the success of private placements, treasury share disposal, and our impressive annual income.

The liquidity landscape of 2023 mirrors our continued prowess in cash flow management and operational efficiency.

Performance Metrics

4th Quarter of 2023 painted a rosy picture with a revenue of RM39.9 million, a staggering increase of 1,282% from its preceding year's corresponding quarter. The financial year concluded with revenue of RM51.5 million, a 440% growth from 2022. However, the fiscal year's profit before tax was RM16.2 million, marked by gains in property development and fair value gain in property investment juxtaposed against losses in the timber sector.

The performance of the current quarter was particularly stellar, with noticeable gains in both revenue and profit before tax. This buoyant financial outcome is attributed to the sales from the development properties situated at North Avenue and the sale of vacant land in Sungai Petani, all within the property development segment. These two avenues proved to be substantial pillars of the SEAL Group's financial growth for the quarter.

MANAGEMENT DISCUSSION AND ANALYSIS

Corporate Movements and Proposals:

Private Placement

SEAL has announced on 23 February 2023 that it proposed to undertake a proposed private placement of 28,312,618 new ordinary shares in the Company, representing 10% of the total number of issued shares of the Company (excluding treasury shares) ("**Private Placement 1**"). The Private Placement 1 was undertaken in accordance with the general mandate approved by the shareholders of SEAL at its Annual General Meeting held on 22 December 2022, pursuant to Section 75 and Section 76 of the Companies Act 2016. On 13 March 2023, 28,312,618 new ordinary shares were placed out by SEAL to third parties at an issue price of RM0.25 each and the new shares were successfully listed on Bursa Malaysia Securities Berhad on 15 March 2023.

SEAL has announced on 8 May 2023 that it proposed to undertake a private placement ("**Private Placement 2**") of up to 62,287,760 new ordinary shares in SEAL, representing approximately 20% of the total number of issued Shares (excluding treasury shares), to Chen Khai Voon ("Subscriber") at an issue price of RM0.26 per Seal Share, vide a conditional subscription agreement ("CSA") entered into between the Company and the Subscriber on 8 May 2023.

Pursuant to the Private Placement 2, an Extraordinary General Meeting held on 13 July 2023, the Shareholders of the Company has approved the CSA entered into between the Company and the Subscriber on 8 May 2023. On 18 July 2023, 62,287,760 new ordinary shares were placed out by SEAL to the Subscriber at an issue price of RM0.26 each and the new shares were successfully listed on Bursa Malaysia Securities Berhad on 20 July 2023.

The Private Placement 1 and 2 have been completed following the allotment of the shares.

Share Buy-Backs

As the fiscal year ended, the company did not repurchase any shares but had disposed of 5,451,100 treasury shares. The remaining treasury shares stand at 445,400, costing RM163,397.

Proposed Acquisition

SEAL has announced on 2 January 2022 that SEAL had proposed to undertake the proposed acquisition of 100% equity interest of Daiman Majumas Sdn. Bhd. ("Daiman"), for a total purchase consideration of RM17.00 million, to be satisfied via a combination of cash payment of RM5.00 million and the issuance of 40,677,966 new ordinary shares of SEAL at the issue price of RM0.295 each ("Proposed Acquisition"). The Proposed Acquisition was approved by the shareholders of SEAL at its Extraordinary General Meeting held on 12 May 2022.

SEAL has announced on 10 April 2023 that Bursa Securities had vide its letter dated 7 April 2023 granted SEAL a further extension of time up to 4 October 2023 for SEAL to complete the issuance of the Consideration Shares.

The Proposed Acquisition was completed in the financial year 2024.

Proposed Investment

SEAL has announced on 6 September 2023 that SEAL has entered into a Binding Term Sheet ("BTS") with Hutan Melintang Power Plant Sdn. Bhd. ("HMPP"), the sole shareholder of HMPP, namely Tan Tang Seong ("TTS"), Ikhtiar Gawa Sdn. Bhd. ("IGSB") and the shareholders of IGSB, namely TTS and Tan Shun Yu ("TSY") ("the Parties") for the proposed subscription by Seal or its wholly-owned subsidiary of preference shares in HMPP and IGSB as follows:

- (a) 387,500 new redeemable convertible preference shares in HMPP for a total subscription price of RM5,000,000;
- (b) 222,234 redeemable convertible preference shares in IGSB for a total subscription price of RM5,000,000; and
- (c) 5,000,000 redeemable preference shares in IGSB for a total subscription price of RM5,000,000.

(collectively the "Proposed Investments")

The Proposed Investments provide an opportunity for the Company to diversify its existing businesses into renewable energy to tap into the potential opportunities arising from the government's intense effort to decarbonise the power sector. The venturing into biomass renewable energy will enable the SEAL Group to develop a more resilient business model and generate more consistent revenue and profits.

The BTS shall form the basis of relevant definitive agreements to be entered into between the Parties in respect of the Proposed Investments. The Proposed Investments is expected to be completed in the financial year 2024.

In summary, 2023 stands out as a landmark year for SEAL Group. Our strategic foresight, notable management, and diverse asset portfolio crafted a narrative of success. With unwavering commitment, SEAL Group will persist in its pursuit of growth, profitability, and value creation for its stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Prospect:

The ever-evolving global landscape demands resilience and adaptability. We acknowledge Malaysia's transition to the post endemic of COVID-19 and the ensuing global uncertainties. Our approach remains vigilant and forward-thinking in the face of multifaceted challenges, including inflation, geopolitical dynamics, fluctuating interest rates, and supply chain disruptions.

Market Outlook:

Within the Malaysian property industry, we are also attuned to its unique challenges, such as economic shifts, regulatory changes, and evolving consumer preferences. Moreover, the recent weakening of the Malaysian Ringgit adds another layer of complexity to our strategic considerations. It is noteworthy that the increase in the Overnight Policy Rate (OPR) and other economic variables has intensified the intricacies we navigate. Despite these challenges, our unwavering commitment to sustainable growth drives us to address these issues head-on, ensuring that we not only endure but thrive amidst adversity.

Throughout the challenges posed by the pandemic and other external factors, SEAL Group's management team has demonstrated unwavering determination. Their tireless efforts and strategic acumen have been pivotal in steering us through uncharted waters. Their commitment to ensuring business continuity, sustaining operations, and delivering results in the face of adversity is a testament to their leadership and resilience.

The year 2023 presents a challenging landscape for the Malaysian property market. The changes in the interest rate landscape, coupled with labour shortages, inflated commodity and material costs, escalating inflation, and a muted global economic ambience, have erected formidable hurdles.

However, SEAL Group has strategically placed its bets on significant projects that promise a bright future.

The SEAL Group has pinned significant hopes on two major ventures:

The Queensville phase 2 project in Bandar Sri Permaisuri, Kuala Lumpur, and the development of BAYAN SUITE in the Penang Mixed Development. Both these projects are expected to be significant revenue churners in the upcoming years, adding substantial value to the SEAL Group's future earnings.

In the face of dynamic market challenges, the Board of SEAL remains proactive. Embracing adaptability as its mantra, the Board is keen on steering the SEAL Group's strategic direction towards enhanced business resilience.

A crucial aspect of this strategy is to explore and invest in diversified revenue streams. A prime example of this forward-thinking approach is the SEAL Group's inclination towards the renewable energy domain. The SEAL Group is actively scouting opportunities to either acquire or invest in businesses that operate in the Engineering, Procurement, Construction and Commissioning sector and related renewable energy activities. This exploration is earmarked for the short to medium-term horizon, resonating with the SEAL Group's vision of sustainable and diversified growth.

In summary, while the current economic environment, both local and global, is fraught with uncertainties and challenges, especially in the domains of property, construction, and renewable energy, the Board stands steadfast.

Adopting a cautiously optimistic approach, the Board believes in the potential and prospects of the SEAL Group. SEAL Group remains poised to navigate these challenges, pivot when necessary, and continue its trajectory of success.

SUSTAINABILITY STATEMENT

Seal Incorporated Berhad (“SEAL” or “the Company”) and its subsidiaries (“the Group”) are committed to creating value for all its stakeholders: customers, suppliers, employees, shareholders, business associates, communities and the environment.

At SEAL, we acknowledge the significance of sustainability in generating long-term value for our business and stakeholders. Our Sustainability Statement (“Statement”) offers a comprehensive overview of our sustainability strategy, methodology, comprising our objectives and targets for sustainability.

The year 2023 posed significant global challenges, including the enduring impact of the COVID-19 pandemic, rising inflation affecting household finances, and urgent concerns related to climate change, biodiversity loss, and social inequalities. Despite these uncertainties, SEAL remains unwavering in its dedication to its sustainability strategy, viewing it as integral to the continuity and success of the business. SEAL expresses its sincere gratitude to all stakeholders, including colleagues, partners, shareholders, customers, and suppliers, for their unwavering commitment and support, which has been instrumental in the Company’s resilience.

This Statement is a testament to SEAL’s steadfast dedication to sustainability amidst a world laden with challenges and abundant opportunities. We do not only acknowledge the prevailing challenges but also emphasize the limitless opportunities on the horizon, ensuring that SEAL continues as a hallmark of sustainable innovation and advancement for all its stakeholders.

Building upon the foundation laid out in the preceding financial year’s Statement, this Statement aligns with the Global Reporting Initiative Standards, as emphasized by Bursa Malaysia Securities Berhad. This rigorous framework ensures that our sustainability endeavors are both measurable and benchmarked against global best practices.

Scope and Coverage

This Statement provides insights into our progress from the perspective of economic, environmental and social (“EES”) associated with the Group’s business activities during the financial year ended 30 June 2023 (“FY2023”). The Statement covers its main business division i.e. construction with its disclosure focused on sustainability initiatives of its largest revenue contributing project, Queensville, located in Bandar Sri Permaisuri, Cheras, Kuala Lumpur, of which phase 1 has been fully completed in the prior year and phase 2 is scheduled to commence in the financial year ending 30 June 2024.

Vision:

Rooted in our belief in a sustainable future, we endeavor to seamlessly integrate good sustainability practices within our operational DNA. By focusing on minimising our environmental footprint and extending this ethos to our clientele, we are confident that our solutions offer premium quality and resonate with our overarching sustainability values.

Collaborative Approach:

Our sustainability journey is enriched by drawing insights and expertise from a broad spectrum of professionals and innovators. Their multidisciplinary perspectives empower us to continually refine, enhance, and innovate our offerings, ensuring they are eco-friendly and user-centric.

Board’s Commitment:

The Board of Directors is unequivocally dedicated to steering the Group towards realising its sustainability goals. This commitment manifests in our consistent efforts to chalk out, implement, and monitor sustainability strategies that are material to the Group’s vision.

Objectives and Strategies:

Our sustainability objectives are clear:

Environmental Stewardship : Reduce the environmental impacts of our operations, projects, and products.

Stakeholder Engagement : Forge strong relationships with all stakeholders through transparent communication, collaboration, and value creation.

Innovative Solutions : Continuously evolve our product portfolio to include solutions that not only meet customer needs but also champion environmental and societal well-being.

To achieve these objectives, our strategies involve rigorous training, adoption of green technologies, and proactive stakeholder dialogues.

SUSTAINABILITY STATEMENT

Governance

Our governance framework, bolstered by stringent operating standards and rigorous internal controls, occupies a central role within the organisation. This framework not only enables the seamless integration of sustainability strategies into our day-to-day operations but also serves as a compass in defining our objectives. It ensures transparency, accountability, and compliance with sustainability principles across all levels of our organisation. It empowers us to make informed decisions that align with our sustainability vision and values, reinforcing our position as a responsible corporate citizen committed to creating enduring value for all stakeholders.

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



The Board comprises an Executive Chairman, a Group Chief Executive Officer (“CEO”) who is also an Executive Director and five (5) Independent Non- Executive Directors. 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 Group’s sustainability strategy supports long term value creation for all its stakeholders.

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

The Sustainability Working Group comprises an Executive Chairman, Group CEO, Service Directors, General Manager and Heads of Department (“HODs”). The Executive Directors are supported by a dedicated Sustainability Working Group (“SWG”) that is made up of relevant employees within the Group.

The SWG, consisting of representatives from Service Director, General Manager and HODs, identifies and engages relevant stakeholders, determines and manages material sustainability matters, proposes sustainability initiatives, implements and monitors the Group’s sustainability agenda.

Sustainability Policy

Incepted in the financial year concluding in June 2014, our Sustainability Policy underscores the Economic, Environmental and Social framework and foundational sustainability principles. This guiding document propels the Group towards the equilibrium of securing our business ambitions and safeguarding the environment. It emphasises curbing our consumption of raw resources and driving down labor and production expenses. The principal areas of concentration encompass:



Market Place



Workplace



Community



Environment

SUSTAINABILITY STATEMENT

Stakeholder Engagement

Communication plays a fundamental role in the realm of good corporate governance. It serves as the cornerstone for establishing and nurturing trust-based relationships between the Group and its stakeholders. The Group actively interacts with its stakeholders through diverse communication channels with the aim of providing them with insights into its business operations and fostering the creation of long-term value across all stakeholders. Furthermore, the Group also solicits feedback and input from its stakeholders on matters of significance to them.

The identification of stakeholders is guided by the materiality of issues, considering their impacts on the Group's operations and the number of stakeholders affected. This strategic approach ensures that engagement efforts are directed toward stakeholders whose interests are most closely intertwined with the Group's activities.

Outlined below is a matrix delineating our engagement strategies with stakeholders, thematic areas pertinent to them, and the cadence of these interactions during FY2023:

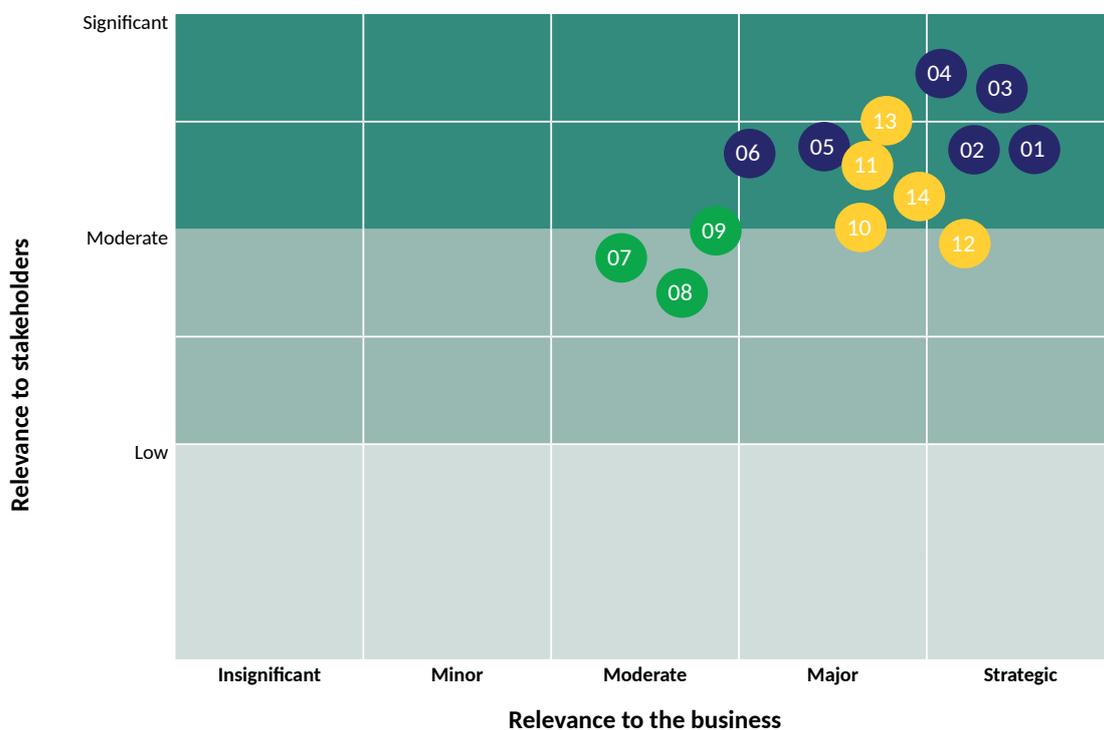
Stakeholders	Focus Areas	Engagement Approach	Frequency
 Customers	<ul style="list-style-type: none"> Product quality and pricing Market demand Product development and innovation 	<ul style="list-style-type: none"> Quality assessment Customers' feedback 	<ul style="list-style-type: none"> On-going Ad-hoc
 Employees	<ul style="list-style-type: none"> Employee health and safety Career development and advancement Communication and engagement 	<ul style="list-style-type: none"> Internal communications Performance appraisals Operational meetings and discussions Safety at work meetings Social events with employees Trainings 	<ul style="list-style-type: none"> On-going Annually On-going On-going Ad-hoc On-going
 Vendors & suppliers (including contractors)	<ul style="list-style-type: none"> Product quality Customer service and complaints resolution 	<ul style="list-style-type: none"> Site visits Suppliers' performance evaluations Meetings and discussions 	<ul style="list-style-type: none"> On-going Annually On-going
 Shareholders & investors	<ul style="list-style-type: none"> Financial performance Regulatory compliance Corporate governance Ethical business conduct Internal control and risk management 	<ul style="list-style-type: none"> Annual General Meetings Financial announcements and reporting Corporate website 	<ul style="list-style-type: none"> Annually Quarterly On-going
 Government regulators & authorities, etc	<ul style="list-style-type: none"> Regulatory compliance Approvals and permits Standards and certifications 	<ul style="list-style-type: none"> Meetings and consultations Training programmes and dialogue 	<ul style="list-style-type: none"> On-going Ad-hoc
 Local communities	<ul style="list-style-type: none"> Community wellbeing Community investment 	<ul style="list-style-type: none"> Social events and visits Company website 	<ul style="list-style-type: none"> Ad-hoc On-going

SUSTAINABILITY STATEMENT

Materiality Sustainability Matters

The Sustainability Working Group (“SWG”) spearheaded a comprehensive materiality assessment. The purpose of this endeavour was to discern the sustainability matters of utmost pertinence, taking into account their implications for SEAL’s business dynamics and their relevance to both our internal and external stakeholders.

Drawing from the guidelines set out by Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide and Toolkits, these issues were systematically collated and showcased on a materiality matrix. After a meticulous evaluation process, 14 prime sustainability matters were pinpointed. The criteria for their selection were deeply rooted in the magnitude of their influence on the Group’s stakeholders and the overall business. The detailed breakdown of these focal points is elucidated in the ensuing profile:



- 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

SUSTAINABILITY STATEMENT

Economic

For SEAL, sustainability is more than just a buzzword; it's an actionable commitment embedded in our ethos. We believe in a holistic approach where we fuse our business objectives with the needs and expectations of our stakeholders.

While our mandate encompasses achieving commercial milestones, it never overshadows our responsibility towards the environment and our aspiration to enrich the quality of life for the generations to come. Central to our purpose is the desire to create homes that resonate with excellence and surpass community expectations. We recognize that the path to such excellence is paved with responsible practices, especially in minimizing resource usage. In line with this understanding, we have delineated a set of guiding missions:

Cost Efficiency and Profitability: We are dedicated to striking a balance between maintaining efficient cost control while maximising profits, ensuring sustainable growth.

Opportunistic Strategies: We aspire to seize every opportunity, ensuring optimal outcomes in our commercial endeavors while simultaneously fulfilling our social responsibilities.

Human Resource Development: Recognising that our strength lies in our people, we are committed to nurturing and training our team, ensuring continuous growth and development.

Teamwork and Collaboration: We firmly believe in the adage, 'Together we achieve more.' Our emphasis on teamwork ensures seamless cooperation, facilitating smooth workflows across all verticals.

Diligence and Productivity: Our focus remains unwavering, with a dedicated approach to stay agile and maintain momentum, ensuring that our productivity remains unparalleled.

In our journey forward, these missions will be our guiding stars, leading us to create an impactful economic footprint that resonates with the well-being of our local community.

Financial Performance

Navigating the aftermath of the Covid-19 pandemic was undeniably a test of resilience for businesses globally. The widespread economic repercussions were felt across industries, and the Group was not immune to these challenges. While the direst phase of the pandemic is now behind us, the economic landscape, both domestically and internationally, continues to be overshadowed by uncertainties. Geopolitical unrest has introduced a slew of concerns, from escalating inflation and weakening of our domestic currency to disruptions in the supply chain and the tightening of monetary policies.

In light of these challenges, the Group's performance for FY2023 paints a story of grit and determination. The Group reported a revenue of RM51.5 million, showcasing an improvement from RM9.5 million in financial year ended 30 June 2022 ("FY2022"). Even more impressively, our profit before tax surged to RM16.2 million, a marked turnaround from the RM3.9 million recorded in FY2022. This upswing is a testament to the Group's unwavering efforts and focus on driving profitability and expanding our business horizons. With an optimistic outlook, we remain confident about our business's inherent potential and are poised to harness market opportunities as they arise in the recovering economic landscape.



SUSTAINABILITY STATEMENT

Economic

Financial Performance (cont'd)

A comprehensive view of our financial position and performance for FY2023 can be found in the Audited Financial Statements of this Annual Report.

For a more detailed discussion and analysis of our financial outcomes, we encourage you to peruse the Management Discussion and Analysis in this Annual Report.

Market Presence & Service Quality

Market Presence	Since its inception in 1962, the Group has consistently broadened its horizons. Originating from the northern region of Malaysia, we have now established a presence in Kuala Lumpur, as exemplified by our recent Queensville project. This growth attributes to our dedication to high ethical standards and unparalleled quality delivery.
Product and Service Quality	Our unwavering dedication to quality mirrors our commitment to Environmental, Social, Governance principles. Regular strategy discussions ensure we maintain this standard, eliminating waste and maximising efficiency.

Compliance

Anti-Bribery and Anti-Corruption Policy	Promoting ethical conduct, our Anti-Bribery and Anti-Corruption Policy introduced in 2020 affirms our zero-tolerance stance on corruption, aligning with the Guidelines on Adequate Procedures from the Malaysian Anti-Corruption Commission Amendments Act 2018. This Anti-Bribery and Anti-Corruption Policy is available for viewing on SEAL's corporate website at www.sib.com.my/corporate-governance .
Whistleblowing Policy and Procedures	Upholding our commitment to ethical practices, our Whistleblowing Policy encourages stakeholders to report any unethical behavior, preserving our corporate integrity. The Whistleblowing Policy and Procedures and the process of how to report any suspected cases are available on SEAL's corporate website at www.sib.com.my/corporate-governance .
Procurement	Committed to a local-first principle, we predominantly source from local vendors. This not only reduces our carbon footprint but also fortifies the local economy.
Cybersecurity	Recognising the mounting cyber threats, we prioritise cyber awareness among our employees, cultivating a proactive defense against potential threats. No security incidents occurred in FY2023 or FY2022.

Environmental Sustainability

Climate Change	Proactively working to diminish our carbon footprint, our goal is to establish a sustainable, low-carbon society.
Energy, Water, and Emissions Management	Our focus is on monitoring and innovation to enhance energy consumption. Among our initiatives: <ul style="list-style-type: none"> - Adopting digital processes to minimise paper usage. - Energy-conscious designs, like natural lighting and LED implementations. - Employing rainwater harvesting for various purposes on-site.
Waste Management	Minimising waste, whether on construction sites or within our offices, remains a paramount concern. FY2023 witnessed no penalties or complaints related to waste management, similar to FY2022.
Environmental Compliance	Our commitment is evident in our 'green' designs, sustainable materials, and rigorous environmental monitoring. No violations were recorded in FY2023 or FY2022.

SUSTAINABILITY STATEMENT

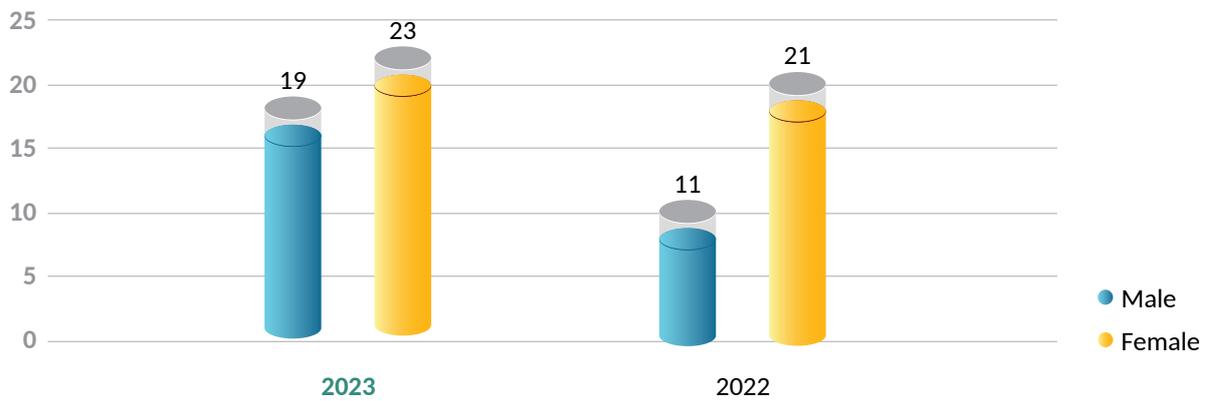
Social Investment

Diversity and Equal Opportunity

Our workforce, rich in diversity, is our key strength. Embracing individuality, we ensure equal opportunities for all employees, regardless of gender, age, race, religion and background, driving us closer to a sustainable future.

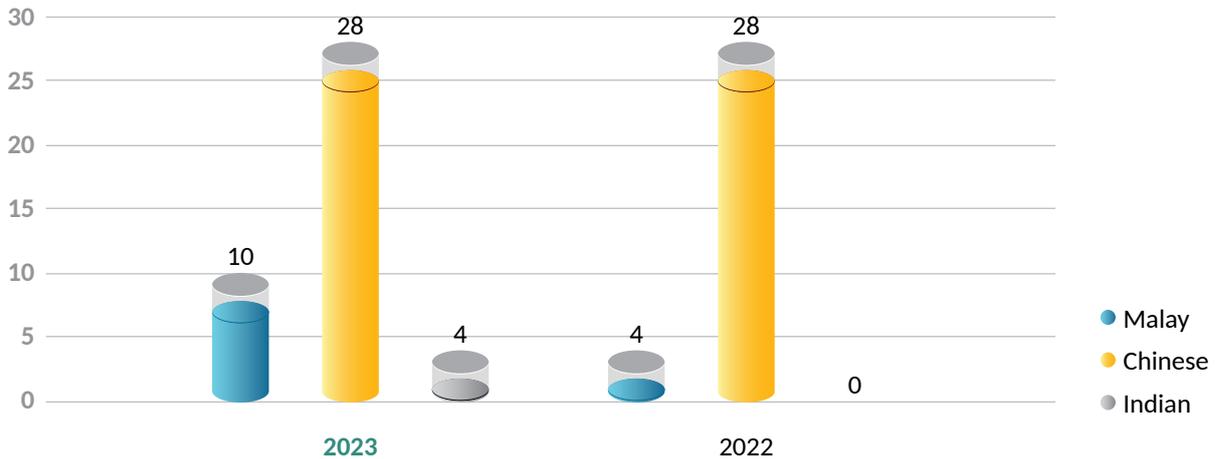
In FY2023, our workforce distribution was 45% males (FY2022: 34%) and 55% females (FY2022: 66%). The Group remain steadfast in its commitment to unbiased recruitment, emphasising expertise, competence, and growth potential as the primary hiring factors.

Workforce by Gender



We pride ourselves on our contributions to local communities, not only through job creation but also as a catalyst for local economic growth. Emblematic of our dedication to Malaysia's development, 100% of our workforce are proud Malaysians.

Workforce by Ethnicity



SUSTAINABILITY STATEMENT

Social Investment

Staff Welfare

Recognising our employees as the cornerstone of our success, in 2023 we continued to ensure they are rewarded aptly.

Our remuneration packages, which exceed the stipulations of the Employment Act 1955, include comprehensive benefits: hospitalisation and surgical insurance, personal accident coverage, generous leave allowances, and varied additional compensations.

Medical	Allowances	Leave
<ul style="list-style-type: none"> • Medical claims • Hospitalisation & surgical scheme • Personal accident scheme 	<ul style="list-style-type: none"> • Travelling allowance • Telephone/mobile phone claims • Overseas work claims 	<ul style="list-style-type: none"> • Maternity leave • Paternity leave • Compassionate leave • Annual leave • Sick leave

Source: Extracted from Employee Handbook

Training and Development

Recognizing the dynamic shifts in the modern workplace, the Group is committed to providing seamless adaptability to its employees. The Group continuously foster a culture that emphasises competence, expertise, and adaptability. To stay abreast with the evolving work landscape, we have enabled our employees with tools and training for effective remote working and digital collaboration. This includes proficiency in platforms like Zoom and Teamviewer, which has become a staple for our virtual meetings and training sessions.

Department heads actively engage in this transition, ensuring that every team member is comfortable and efficient in this new norm; while maintaining the quality and productivity we pride ourselves on.

Moreover, with health and safety being paramount, we have conducted extensive training sessions tailored to the current scenario. These programs focus not just on the technical aspects of remote working but also on maintaining mental well-being, and work-life balance, and ensuring the Group's workforce is informed about the latest developments regarding the Covid-19 pandemic. Emphasising best practices and consistent adherence to health guidelines remains our priority, irrespective of the working environment.

The table below summarises the training programmes which have been organised during FY2023:

Training Category	FY2023		FY2022	
	Number of pax	Training Hours	Number of pax	Training Hours
Technical and Professional Development	20	203	19	130
Soft Skills and Personal Development	13	64	2	14
Health and Safety	15	3	1	8
TOTAL	48	270	22	152

Occupational Health and Safety

The Covid-19 pandemic has profoundly reshaped our perspective on health and safety. In response, our topmost priority has become the well-being of our employees, customers, and surrounding communities.

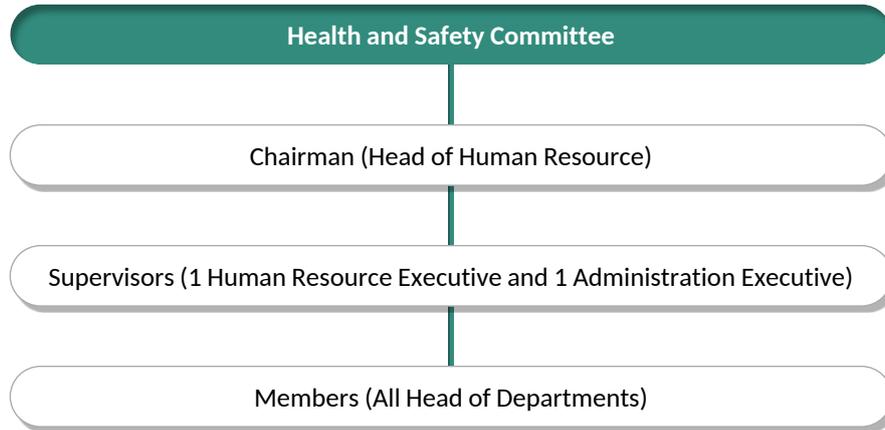
Our Health and Safety Committee stands at the forefront of this effort, driving the development and enforcement of rigorous health and safety standards across all operations. Under the guidance of a Chairperson, and with the dedicated support of two Supervisors and leading department heads, the committee remains committed to fostering a safe and resilient workplace.

SUSTAINABILITY STATEMENT

Social Investment

Occupational Health and Safety (cont'd)

The lessons from Covid-19 have further emphasised that health is paramount, not just as a response to a crisis, but as a foundational principle for our future.



Occupational Health and Safety (OHS)

Our OHS Committee remains diligent in ensuring the safety and well-being of our employees. They regularly review and enhance our safety measures, keeping pace with industry best practices and ensuring full regulatory compliance.

Some of the measures include:

- Daily health monitoring and reporting.
- Use of protective equipment to safeguard against environmental risks.
- Controlled access to workplaces to maintain a manageable population density.
- Emphasis on maintaining adequate distance during interactions.
- Regular sanitisation of common areas and frequent disinfection of high-touch surfaces.

Preparedness for Global Challenges

Recognising the evolving nature of global economic and environmental challenges, the Group has proactively adjusted its Standard Operating Procedures to address potential disruptions. Our protocols are built on guidance from various regulators and focus on ensuring the resilience of our operations, particularly at construction sites.

Engagement with Local Communities

The Group places significant importance on harmonious relationships with local communities. As a major player in the construction sector, we are committed to minimising any negative impact of our activities. We see every project as an opportunity to foster trust and build lasting bonds with local residents.

Through initiatives like fundraisers and community support packages, we continuously strive to uplift and support those facing economic or environmental challenges.

SUSTAINABILITY STATEMENT

Social Investment

Programmes:



Company Annual Dinner

November 2022



Beach Cleaning

November 2022



Fun Ride PDRM Penang

December 2022



SUSTAINABILITY STATEMENT

Social Investment

Programmes: (cont'd)

Green Office
Environment
Programme

January 2022



June 2022

Balik Pulau
Half Marathon



In summary, we place equal emphasis on ensuring the long-term sustainability of our business approach which include the below three values:

EXCEPTIONAL VALUE

By constantly delivering more to our customers and stakeholders, we believe we are building a self-reinforcing ecosystem that will serve to further strengthen the Group.

ADAPTABILITY

We strive to keep our fingertips on the pulse of the ever-changing business environment, empowering us to respond effectively and capitalise swiftly on business shifts.

LEVERAGE

As a multi-industry company with an extensive network, we strive to provide innovative solutions by leveraging on the diverse range of expertise available to us.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



TUAN HAJI ABDUL HAMID BIN MOHD HASSAN

Executive Chairman

Date of Appointment as a Director : **7 February 2002**

Nationality



Gender



Age

85

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 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



KOAY SHEAN LOONG

Group Chief Executive Officer, Executive Director

Nationality



Gender



Age

29

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 and re-designated as the Group Chief Executive Officer (“CEO”) on 1 September 2023.

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.

Mr. Koay works closely with all Business Unit Heads to implement and execute the Group’s overall business strategic plans, corporate policies and sustainability of the Group. As the Group CEO, Mr. Koay is instrumental in charting the growth and development of the Group. He oversees the day-to-day operational matters and business activities of the Group to ensure they achieve the desired results consistent with the Group’s direction.

Mr. Koay does not have any conflict of interest with 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



DATUK TAN HIANG JOO

Senior Independent Non-Executive Director

Date of Appointment as a Director : **3 October 2014**

Nationality



Gender



Age



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

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. In spite of his demanding legal practice, Datuk Tan 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 as an advisor of PCCC’s Charity Fund Committee. Datuk Tan also sits on the Board of Directors of Han Chiang University College of Communication and Han Chiang High School, both in Penang.

Besides the Company, Datuk Tan does not hold any directorship in public companies and public listed companies.

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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



SIM YEE FUAN

Independent Non-Executive Director

Nationality



Gender



Age

57

Date of Appointment as a Director : **28 March 2022**

Mr. Sim Yee Fuan ("Mr. Sim") was appointed as an Independent Non-Executive Director of the Company on 28 March 2022. Mr. Sim is also Chairman of the Audit Committee and Members of the Remuneration Committee and Nominating Committee of the Company.

Mr. Sim graduated from University of Malaya with Bachelor of Accounting (Honour) and obtained professional accounting qualification from Malaysian Institute of Certified Public Accountants. Mr. Sim also holds a Master Degree in Business Administration from Northern University of Malaysia. He is a Chartered Accountant registered with Malaysian Institute of Accountants.

Mr. Sim started his career with Bank Negara Malaysia ("BNM") and during his vocation with BNM, he had gained valuable banking experience in Foreign Exchange Administration Department and Banking Supervision Department. Following his leaving from BNM in 1995, he pursued his career with public companies listed on Bursa Malaysia Securities Berhad ("Bursa Securities") where his job responsibilities were mainly in the areas of accounting, finance and corporate management. He is presently an Executive Director of Unimech Group Berhad ("UGB"), a public listed company of Bursa Securities.

Besides the Company, Mr. Sim also sits on the Board of other public companies listed on Bursa Securities, namely, Eurospan Holdings Berhad and Hextar Healthcare Berhad as their Independent Non-Executive Director.

Mr. Sim 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. Sim 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



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

Independent Non-Executive Director

Date of Appointment as a Director : **27 February 2017**

Nationality



Gender



Age

82

Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid ("Yang Teramat Mulia") is Chairman of the Remuneration Committee and a Member 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.

Besides 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



YOW YAN SEONG

Independent Non-Executive Director

Nationality



Gender



Age

57

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. Mr. Yow has vast experience in property development industry. He 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



TAN SEONG HOOI

Independent Non-Executive Director

Date of Appointment as a Director : **7 January 2021**

Nationality



Gender



Age



Mr. Tan Seong Hooi (“Mr. Tan”) holds 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 infrastructure works and real estate developments for reputable international hotel chains and factories. 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



LEE SWEE KHENG

Independent Non-Executive Director

Nationality



Gender



Age

59

Date of Appointment as a Director : **17 October 2023**

Mdm. Lee Swee Kheng (“Mdm. Lee”) was appointed as an Independent Non-Executive Director of the Company on 17 October 2023. Mdm. Lee holds a Diploma in Financial Accounting from Kolej Tunku Abdul Rahman (now known as Tunku Abdul Rahman University of Management and Technology). She is a member of the Malaysian Institute of Accountants and Fellow of the Association of Chartered Certified Accountants.

Mdm. Lee has brought with her more than 35 years of notable working experiences in the fields of property development, construction, hotel and leisure. She began her career in public accounting firms before joining various public listed companies as Accountant, General Manager (Finance) and Chief Financial Officer. Mdm. Lee currently holds advisory and financial services roles in private limited companies. Mdm. Lee also sits on the Board of several private limited companies.

Apart from the Company, Mdm. Lee does not hold any directorship in public companies.

Mdm. Lee does not have any conflict of interest with the Company and she has no family relationship with any Director and/or major shareholder of the Company.

Mdm. Lee 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 2023.

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT



CHOH KIM CHIEW

Finance Director

Date of Appointment as Finance Director : **1 April 2023**

Nationality



Gender



Age

48

Mr. Choh Kim Chiew (“Mr. Choh”) is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants and fellow of the Chartered Association of Certified Accountants of the UK.

Mr. Choh started his career in 1996 in hospitality industry where he held various positions in finance capacity until his leaving in 2002. Moving on, Mr. Choh has held positions as an Accountant, Executive Director (Finance) and Chief Financial Officer in a number of reputable public listed companies in Malaysia. He has accumulated and brought with him more than 20 years of notable experiences and expertise in the accounting and financial fields to our Group. Prior to joining our Group, Mr. Choh was the Group Chief Financial Officer of a Malaysia-based conglomerate public listed company involve in property development and investments, hotel and resort management and healthcare.

Mr. Choh 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. 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 2023.

SENIOR MANAGEMENT

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 oversees 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 year 2021. 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 UK 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 attaining 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 20 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.

LEE HUEY SAN *Corporate Secretary*

Ms. Lee Huey San (“Ms. Lee”) joined the Group in 2021 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 Malaysia and Ernst and Young, both being among the four largest global professional services networks. 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](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 2023 (“FYE 2023”), 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
<p>Practice 5.10: 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.</p>	<p>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 view points 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 in accordance with Practice 5.10. As at present, the Board has one (1) woman Director.</p>
<p>Practice 5.9 The board comprises at least 30% women directors.</p>	<p>The Board has appointed Mdm. Lee Swee Kheng as an Independent Non-Executive Director following the resignation of Datin Sri Tan Guik Lan as a Non-Independent Non-Executive Director on 28 July 2023 in accordance with the provisions of paragraph 15.02(1)(b) of the MMLR. To-date, there are 36% women employees in senior positions of the Group.</p> <p>The Nominating Committee and the Board will take into consideration the provisions of Practice 5.9 of the MCCG as part of its future selection process of Board candidates.</p>
<p>Practice 8.2: 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.</p>	<p>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.</p> <p>The Board also believes that it would not be in the best interest of the Company to disclose the identity and detailed remuneration of top senior management due to the sensitive and confidential nature of employees’ remuneration and concern over poaching of employees by competitors.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 Group; 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;
- d) Reviewing the Group's sustainability matters;
- e) Ensuring effective risk assessment, 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 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. The Board Charter is available for reference at the Company's website at www.sib.com.my ("Company's website").

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. The policies and procedures are reviewed from time to time to ensure that they remain relevant.

- a) Code of Conduct
- b) Whistleblowing Policy and Procedure
- c) Sustainability Policy
- d) Anti-Bribery and Anti-Corruption Policy
- e) Remuneration Policy
- f) Directors' Fit and Proper Policy

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Principal Responsibilities of the Board (cont'd)

Sustainability

The Board views the commitment towards sustainability in addressing the impacts of the Group's business operations towards the environment, social and governance as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Sustainability Working Group ("SWG") assists the Board in meeting its oversight responsibilities in relation to the Group's sustainability initiatives, implementation, performance and achievement. The SWG identifies and engages with relevant stakeholders, determines and manages material sustainability matters, proposes sustainability initiatives, implement and monitors the Group's sustainability agenda.

The yearly performance evaluations of the Board not only focus on financial performance but also include other non-financial performance like sustainability.

Please refer to the Sustainability Statement contained in this Annual Report for further details.

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. The Chairman and members of each Board Committee is appointed by the Board. 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 its future selection process. To-date, there are 36% 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 age, gender, ethnicity, nationality, experience, cultural background or other personal factors.

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, a Group Chief Executive Officer who is also an Executive Director, and six (6) Independent Non-Executive Directors (“INEDs”) 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 caliber necessary to carry sufficient weight in the Board’s decisions, to ensure the interests of all stakeholders are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

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 Group Chief Executive Officer 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 CEO should be held by different individuals for the effective functioning of the Board and facilitates a good check and balance mechanism. Hence, the position of Group CEO is held by Koay Shean Loong who manages the daily business and operations of the Group and ensure the implementation of the Group’s policies and strategic plans while the position of Chairman is held by Tuan Haji Abdul Hamid bin Mohd Hassan. Pursuant to Practice 1.4 of the MCCG, the Executive Chairman is not a member of the Company’s AC, NC and RC.

The NC 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) has provided objectivity in decision making and ensured effective checks and balances in the proceedings of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

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 circular resolutions and clarifications are provided to the Directors where necessary.

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 FYE 2023. Apart from Mdm. Lee Swee Kheng who was appointed as an Independent Non-Executive Director on 17 October 2023, all the other 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 circular resolutions. A summary of such resolutions passed are then circulated to the Directors and noted at the next Board Meeting.

Details of attendance of the Directors at the Board Meetings during FYE 2023 are as follows:

	Directors	Meeting Attendance
1.	Tuan Haji Abdul Hamid bin Mohd Hassan	6/6
2.	Koay Shean Loong	6/6
3.	Datuk Tan Hiang Joo	6/6
4.	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	5/6
5.	Yow Yan Seong	6/6
6.	Datin Sri Tan Guik Lan (<i>Resigned w.e.f. 28 July 2023</i>)	3/6
7.	Tan Seong Hooi	6/6
8.	Sim Yee Fuan	6/6
9.	Lee Swee Kheng (<i>Appointed w.e.f. 17 October 2023</i>)	-

Notes:

* *Appointed subsequent to FYE 2023*

Access to Information and Advice

The Board has full and unrestricted access to timely and accurate information of the Group. The agenda is circulated to the Board members at least seven (7) days prior to the Board Meeting and where possible, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Access to Information and Advice (cont'd)

Where applicable, the Directors whether as a full board or in their individual capacity, 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 department General Manager; 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 Group CEO, in relation to the quantum of fees to be incurred.

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 and all matters associated with the maintenance of the Board or otherwise required for its efficient operation are complied with; 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 comprise exclusively of INEDs. The members and their attendance at NC meeting are as follows:

	Members	Meeting Attendance
1.	Datuk Tan Hiang Joo - Chairman	2/2
2.	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	2/2
3.	Sim Yee Fuan	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Nominating Committee (cont'd)

The NC has convened two (2) meetings during FYE 2023 and all members attended the meetings.

The activities of the NC during FYE 2023 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) discussed and recommended the re-election of Directors who retired in accordance with the Company's Constitution; and
- g) discussed and recommended to the Board the appointment of a Key Senior Management.

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), caliber, 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. The NC has deliberated on the appointment of Mdm. Lee Swee Kheng ("Mdm. Lee") as an Independent Non-Executive Director of the Company and has recommended Mdm. Lee to the Board for appointment.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Re-Appointment and Re-Election of Directors (cont'd)

The Directors who are due for re-election or re-appointment at the AGM are assessed by the NC 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 23 August 2023 evaluated their performances in accordance with the Directors' Fit and Proper Policy and recommended them to the Board for their re-election at the forthcoming AGM.

Directors' Training

The Board will assess the training needs of the Directors and ensure that 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. Apart from Mdm. Lee who was appointed on 17 October 2023, all the other Directors, have attended the MAP as at today. In accordance with the provisions of the MMLR, Mdm. Lee will attend and complete the MAP within 4 months from her appointment date.

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 FYE 2023, the following training programmes and seminars were attended by the present Directors of the Company:

Name of Director	Seminars/Courses
Tuan Haji Abdul Hamid bin Mohd Hassan	Risk Management
Koay Shean Loong	Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers
Datuk Tan Hiang Joo	Understanding Anti-Money Laundering and Counter Financing of Terrorism and the Importance of Suspicious Transaction Report
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	Understanding Anti-Money Laundering and Counter Financing of Terrorism and the Importance of Suspicious Transaction Report
Yow Yan Seong	Business Combinations, Merger and Acquisitions, Shares and Business Valuations
Tan Seong Hooi	ESG and Sustainable Reporting
Sim Yee Fuan	<ul style="list-style-type: none">Investigation and Prosecution of Money Laundering Cases in MalaysiaTax Budget 2023
Lee Swee Kheng * (Appointed w.e.f. 17 October 2023)	N/A

Notes:

* Appointed subsequent to FYE 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

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.

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.

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

	Members	Meeting Attendance
1.	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid - Chairman	1/1
2.	Datuk Tan Hiang Joo	1/1
3.	Sim Yee Fuan	1/1

The RC has convened a meeting during FYE 2023 and all members attended the meeting held.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Directors' Remuneration (cont'd)

The details of remuneration paid to the Directors in FYE 2023 for the Company and the Group level are as follows:

Directors	Remuneration (RM '000)													
	Company							Group						
	Fee	Allowance	Salary	Bonus	Benefits-In-Kind	Other Emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-In-Kind	Other Emoluments	Total
Executive Directors														
Tuan Haji Abdul Hamid bin Mohd Hassan	-	-	-	-	-	-	-	-	-	126	10	13.3	0.7	150
Koay Shean Loong	-	-	480	105	-	71.3	656.3	-	-	480	105	21.9	71.3	678.2
Non-Executive Directors														
Datuk Tan Hiang Joo	48	2.4	-	-	-	-	50.4	48	2.4	-	-	-	-	50.4
Sim Yee Fuan	48	2.1	-	-	-	-	50.1	48	2.1	-	-	-	-	50.1
Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	48	2.4	-	-	-	-	50.4	48	2.4	-	-	-	-	50.4
Datin Sri Tan Guik Lan (Resigned w.e.f. 28 July 2023)	48	1.8	-	-	-	-	49.8	48	1.8	-	-	-	-	49.8
Yow Yan Seong	48	2.4	-	-	-	-	50.4	48	2.4	-	-	-	-	50.4
Tan Seong Hooi	48	2.4	-	-	-	-	50.4	48	2.4	-	-	-	-	50.4
Lee Swee Kheng* (Appointed w.e.f. 17 October 2023)	←						N/A							→
TOTAL	288	13.5	480	105	-	71.3	957.8	288	13.5	606	115	35.2	72	1,129.7

Notes:

* Appointed subsequent to FYE 2023

Senior Management's Remuneration

The remuneration of the Senior Management for FYE 2023 disclosed in band basis is as follows:

Range of Remuneration (RM)	Salaries and EPF	Allowances	Bonus and Incentive	SOCISO and EIS	Benefits-In-Kind
	Number of Senior Management				
Below 50,000	-	3	3	4	2
50,001-100,000	-	-	-	-	-
100,001-150,000	2	-	-	-	-
200,001-250,000	2	-	-	-	-

Notes:

EPF - Employees Provident Fund Contribution

EIS - Employment Insurance System Contribution

SOCISO - Social Security Organisation Contribution

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Senior Management's Remuneration (cont'd)

	Range of Remuneration (RM)		
	100,001-150,000	150,001-200,000	200,001-250,000
Number of Senior Management	1	2	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 FYE 2023 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 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 the audit. The external auditors have implemented a number of firm wide ethics and independence systems to maintain objectivity, to be free from conflict of interests when discharging their professional responsibilities and monitor compliance with their firm's policies in relation to independence and ethics. Moreover, the external auditors have their firm's audit engagement partner rotation policy of seven (7) years.

The AC has reviewed and assessed with Management, the performance, suitability and independence of the external auditors and the level of independence of the 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.

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 FYE 2023 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Group recognises the importance of effectiveness and clear communication between the Shareholders, potential investors 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 to 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") remains 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 60th 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Conduct of General Meetings (cont'd)

The Board views the AGM as ideal opportunity to communicate with Shareholders. During the AGM, Shareholders are encouraged and given the opportunity to enquire and comment on matters relating to the meeting agendas and the Group's business and performance. Shareholders were briefed on the proceedings of the virtual general meetings ("meetings") and how questions can be posed throughout the meetings until the closure of the voting session. 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 60th 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 60th AGM via electronic means, submission of questions during the 60th AGM and voting by appointing proxy at the 60th AGM were set out in the notice of the 60th AGM. An Administrative Guide, which furnished useful information regarding the conduct of 60th AGM to guide the Shareholders in participating in the 60th AGM remotely was sent to the Shareholders ahead of the AGM.

The notice of the 60th 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 60th 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 60th 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 60th AGM. Minutes of the 60th AGM was published on the Company's website as soon as practicable after the conclusion of the 60th 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 6 October 2023.

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 2023.

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.

COMPOSITION 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:-

Chairman

Sim Yee Fuan

Independent Non-Executive Director

Members

Datuk Tan Hiang Joo

Senior Independent Non-Executive Director

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

None of the AC members are alternate Director.

During the financial year ended 30 June 2023, there were five (5) AC meetings held and the details of the attendance of each member of the committee are tabulated below:

	Members	Attendance at Meeting	Percentage of Attendance (%)
(i)	Sim Yee Fuan	5/5	100
(ii)	Datuk Tan Hiang Joo	5/5	100
(iii)	Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato’ Seri Iskandar bin Raja Ziran @ Raja Zaid	5/5	100

Members of the management team were also invited to attend the AC meetings to assist in clarifying matters raised at the meetings 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 2023 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 2023 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 2023 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 twice during the financial year, 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 on the scope of work and audit plan of the Group for the financial year ended 30 June 2023, proposed audit reporting schedule and new development on financial reporting standards applicable to the Group;
- reviewed the performance and effectiveness of the external auditors 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 2023 and were in compliance with the independence requirements;
- Considered the audit fees paid to the external auditors for the financial year ended 30 June 2023. The details of the audit and non-audit services rendered by the external auditors and their affiliates for financial year ended 30 June 2023 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 auditors 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 2023 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 7 years.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC (cont'd)

Compliance and Corporate Governance

- reviewed and recommended the updated TOR of AC to the Board for approval;
- reviewed and recommended the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report; and
- presented the AC Report to the Board for approval and inclusion in the Annual Report.

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 2023, 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 RM27,000.

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

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors ("The Board") of Seal Incorporated Berhad ("the Group") is pleased to present the Statement on Risk Management and Internal Control ("the Statement").

RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to preserve and uphold a sound system of internal control and risk management throughout the Group. The Board recognises its overall responsibility for the Group's system of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any system of internal control, the internal control system is 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 practise 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 the internal audit function to an independent professional services firm, BDO Governance Advisory Sdn. Bhd. ("BDO") in assessing the adequacy and effectiveness of the internal control system. The internal control reviews are 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 ascertain if an adequate action plan is in place to address the risks and concerns identified. The resulting reports from BDO, including the findings, recommendations and management's responses were presented to the Audit Committee on a half yearly basis. The Management is responsible to ensure that the necessary agreed corrective action items are taken and resolved within the required timeline.

A total of two (2) internal control reviews were conducted by BDO for the financial year ended 30 June 2023. The details of the said reviews are delineated as follows:-

Audit Period	Audited Areas
August 2022 – January 2023	<ul style="list-style-type: none">• Pre-Project Management
February 2023 - May 2023	<ul style="list-style-type: none">• Parking Income 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 organisation 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 system 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 2023. 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 6 October 2023.

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 2023 is as follows:

	Group RM	Company RM
Audit Fees	140,500	41,000
Non-Audit Fees	3,000	3,000

Status of Utilisation of Proceeds Raised from Corporate Proposal

- (i) On 9 September 2021 and 16 December 2021, the Company allotted 23,000,000 and 23,070,000 new ordinary shares at an issue price of RM0.346 and RM0.253 per share respectively pursuant to the private placement exercise ("Private Placement 1") under the general mandate granted by its shareholders pursuant to Section 75 and Section 76 of the Companies Act 2016 at the Company's Annual General Meeting held on 21 December 2020. The Private Placement 1 has raised a gross proceed of RM13.79 million ("the Proceed") and the details of utilisation of the Proceed as to date are as follows:-

Utilisation of Proceeds	Actual Proceed Raised (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)
Working capital for the existing construction project	7,000	7,000	-
Future property development projects	6,664	6,664	-
Expenses for the Proposed Private Placement	130	130	-
Total	13,794	13,794	-

- (ii) On 13 March 2023, the Company has allotted 28,312,618 new ordinary shares at an issue price of RM0.25 per share pursuant to a private placement exercise ("Private Placement 2") under the general mandate granted by its Shareholders pursuant to Section 75 and Section 76 of the Companies Act 2016 at the Company's Annual General Meeting held on 22 December 2022. The Private Placement 2 raised a gross proceed of RM7.078 million and details of utilisation of the proceed raised is as follows:-

Utilisation of Proceeds	Actual Proceed Raised (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)
Payment of salaries to staff of the Group	2,048	2,048	-
Operating expenses and administrative expenses such as payment to suppliers and contractors, utilities, rental costs and upkeep of office	4,780	1,840	2,940
Estimated expenses for the Private Placement	250	250	-
Total	7,078	3,751	2,940

ADDITIONAL COMPLIANCE INFORMATION

Status of Utilisation of Proceeds Raised from Corporate Proposal (cont'd)

(iii) At an Extraordinary General Meeting held on 13 July 2023, the Shareholders of the Company have approved the Conditional Subscription Agreement entered into between the Company and Chen Khai Voon on 8 May 2023 ("CSA"). Pursuant to the CSA, on 18 July 2023, the Company has allotted 62,287,760 new ordinary shares at an issue price of RM0.26 per share to Chen Khai Voon ("Private Placement 3"). The Private Placement 3 raised a gross proceed of RM16,194,817.60 and details of utilisation of the proceed raised is as follows:-

Utilisation of Proceeds	Actual Proceed Raised (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)
Acquisition of/investment in new viable businesses	15,595	5,000	10,595
Estimated expenses for the Private Placement	600	218	382
Total	16,195	5,218	10,977

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 Directors, chief executive who is not a director and its major shareholders either still subsisting as at 30 June 2023 or entered into since the end of the previous financial period ended 30 June 2022.

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

There was no RRPT during the financial year.

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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **30 June 2023**.

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
Profit for the financial year	11,562,422	7,257,060
Attributable to:		
Owners of the Company	11,738,357	7,257,060
Non-controlling interests	(175,935)	-
	11,562,422	7,257,060

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 30 June 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature except for the following items which have been charged to profit or loss for the financial year:

	GROUP RM	COMPANY RM
Fair value gain on investment properties (Note 26)	6,841,100	-
Impairment loss on investment in subsidiaries (Note 29)	-	(3,250,000)
Impairment loss on timber concessions (Note 29)	(4,733,124)	(2,194,244)

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 has increased its issued and fully paid up ordinary share capital by way of issuance of 28,312,618 new ordinary shares through a private placement at an issued price of approximately RM0.25 per ordinary share.

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

TREASURY SHARES

During the financial year, the Company sold 5,451,100 of its treasury shares to the open market at the average price of approximately RM0.45 per share. The total proceeds from the sale of treasury shares net off transaction costs is RM2,442,989. The difference between the proceeds and the cost of the treasury shares which amounted to RM440,800 is recognised in equity.

As at 30 June 2023, the Company held a total of 445,400 treasury shares out of its 317,335,302 issued ordinary shares. The treasury shares are held at a carrying amount of RM163,397 and further relevant details are disclosed in Note 17 to the financial statements.

DIRECTORS

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

Directors of the Company:

- * Tuan Haji Abdul Hamid Bin Mohd Hassan
- * Koay Shean Loong
- Datuk Tan Hiang Joo
- Sim Yee Fuan
- Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar Bin Raja Ziran @ Raja Zaid
- Yow Yan Seong
- Tan Seong Hooi
- Datin Sri Tan Guik Lan (resigned on 28.7.2023)

Directors of subsidiaries:

- Nor Azuwan Bin Saleh
- Choh Kim Chiew (appointed on 1.9.2023)
- Norulhuda Binti Abu Bakar (first director, appointed on 23.11.2022, resigned on 8.3.2023)

- * 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 1.7.22	Bought	Sold	Balance at 30.6.23
The Company				
Direct Interest:				
Koay Shean Loong	24,894,200	-	-	24,894,200
Datin Sri Tan Guik Lan	44,784,100	-	-	44,784,100
Datuk Tan Hiang Joo	29,000	-	-	29,000
Yow Yan Seong	3,008,400	-	-	3,008,400
Tan Seong Hooi	65,000	-	-	65,000
Deemed Interest:				
¹ Yow Yan Seong	1,733,000	-	-	1,733,000
¹ Sim Yee Fuan	80,000	-	-	80,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

DIRECTORS' INTERESTS IN SHARES (cont'd)

Note:

- ¹ Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of shares held by his immediate family members.

Other than the above, none of the other directors holding office at the end of the financial year has 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	288,000	-	288,000
Salaries, allowances and bonus	598,500	136,000	734,500
Defined contribution plan	70,200	-	70,200
SOCISO	1,004	718	1,722
EIS	115	-	115
Benefits in-kind	-	35,210	35,210
	<u>957,819</u>	<u>171,928</u>	<u>1,129,747</u>

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of insurance premium paid for professional indemnity for the directors and officers of the Company during the financial year is RM35,000.

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 proper 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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

OTHER STATUTORY INFORMATION (cont'd)

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

- (i) which 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) which would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which 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; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Company which 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 which 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.

EVENTS AFTER THE REPORTING PERIOD

The details of the events after the reporting period are disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

AUDITORS

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

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 30 June 2023 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	140,500	41,000
Assurance related services	<u>3,000</u>	<u>3,000</u>
Total	<u>143,500</u>	<u>44,000</u>

The Group and the Company have agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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: 6 October 2023

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 60 to 131 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 2023** 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: 6 October 2023

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 60 to 131 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 **6th**)
day of **October 2023**.)

.....
**Tuan Haji Abdul Hamid
Bin Mohd Hassan**

Before me,

.....
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 2023** 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 60 to 131.

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 2023** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Fair value of investment properties <i>(Note 5 to the financial statements)</i></p> <p>Investment properties of the Group mainly consists of freehold land, freehold and leasehold shoplots, leasehold building and leasehold office lots.</p> <p>We focused on this area as the determination of the fair value of the investment properties requires significant judgement due to the use of the estimates in the valuation techniques based on certain key assumptions.</p>	<p>Our audit procedures in relation to the fair value of the investment properties included, amongst others, the following:</p> <ul style="list-style-type: none"> • Considered the competency, capabilities and objectivity of the independent external valuers; • Reviewed the valuation reports prepared by the independent external valuers and understood the methodology adopted by the independent external valuers in estimating the fair value of the investment properties; and • Had discussion with the independent external valuers to obtain an understanding of the key input data and key assumptions used by the independent external valuers.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEAL INCORPORATED BERHAD

(Incorporated in Malaysia)

Key Audit Matters (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Impairment of trade and other receivables (Note 10 and 11 to the financial statements)</p> <p>The Group and the Company have significant trade and other receivables as at 30 June 2023 which include certain amounts that are long outstanding and these are subject to credit risk exposure.</p> <p>We focus on this area as the assessment of recoverability of receivables 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.</p>	<p>Our audit procedures in relation to the management's impairment of trade and other receivables included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of: <ul style="list-style-type: none"> - the Group's and the Company'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 and the Company make the accounting estimates for impairment of trade and other receivables; • Evaluated techniques and methodology in the expected credit loss approach against the requirement of MFRS 9; • Reviewed the ageing analysis of trade and other receivables and tested the reliability thereof; • Reviewed subsequent collections for major customers and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue balances; and • Examined other evidence including customer correspondences.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEAL INCORPORATED BERHAD

(Incorporated in Malaysia)

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEAL INCORPORATED BERHAD

(Incorporated in Malaysia)

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

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

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

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

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Loo Wei Teng
No. 03487/03/2024 J
Chartered Accountant

Penang

Date: 6 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,881,823	727,785	9,605	15,556
Investment properties	5	167,459,820	118,919,820	770,000	770,000
Investment in subsidiaries	6	-	-	128,458,531	110,708,530
Timber concessions	7	6,065,807	10,798,931	-	2,194,244
Inventories	8	112,042,431	95,016,670	17,599,245	17,599,245
Amount due from subsidiaries	9	-	-	65,210,676	79,584,511
		<u>287,449,881</u>	<u>225,463,206</u>	<u>212,048,057</u>	<u>210,872,086</u>
Current assets					
Inventories	8	27,720,038	41,877,222	-	-
Trade receivables	10	1,490,729	39,337,128	-	-
Other receivables, deposits and prepayments	11	117,295,661	91,589,828	60,066,296	7,932,356
Amount due from subsidiaries	9	-	-	52,146,654	76,909,657
Contract assets	12	693,311	6,068,882	-	-
Contract costs	13	1,285,911	3,585,911	-	-
Current tax assets		2,677,964	3,088,525	-	-
Other investments	14	9,997,247	14,099,477	5,565,530	249
Deposits with licensed banks	15	22,517,211	16,376,377	-	5,017,064
Cash and bank balances		14,052,606	6,229,243	5,691,609	3,049,947
		<u>197,730,678</u>	<u>222,252,593</u>	<u>123,470,089</u>	<u>92,909,273</u>
TOTAL ASSETS		<u>485,180,559</u>	<u>447,715,799</u>	<u>335,518,146</u>	<u>303,781,359</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	163,502,401	156,424,247	163,502,401	156,424,247
Treasury shares	17	(163,397)	(2,165,586)	(163,397)	(2,165,586)
Reserves	18	352,940	352,940	352,940	352,940
Retained profits	19	168,039,882	155,860,725	148,434,780	140,736,920
		<u>331,731,826</u>	<u>310,472,326</u>	<u>312,126,724</u>	<u>295,348,521</u>
Non-controlling interests		4,415,844	4,195,773	-	-
Total equity		<u>336,147,670</u>	<u>314,668,099</u>	<u>312,126,724</u>	<u>295,348,521</u>
Non-current liabilities					
Other payables and accruals	20	16,000,000	16,000,000	-	-
Borrowings	21	55,359,983	62,041,491	-	-
Deferred tax liabilities	22	3,042,119	2,358,119	6,675	6,675
		<u>74,402,102</u>	<u>80,399,610</u>	<u>6,675</u>	<u>6,675</u>
Current liabilities					
Trade payables	23	8,118,930	11,648,820	2,444	2,444
Other payables and accruals	20	52,674,155	27,369,060	15,745,386	402,097
Amount due to subsidiaries	9	-	-	7,564,333	7,844,940
Borrowings	21	12,985,919	13,250,128	-	-
Current tax liabilities		851,783	380,082	72,584	176,682
		<u>74,630,787</u>	<u>52,648,090</u>	<u>23,384,747</u>	<u>8,426,163</u>
Total liabilities		<u>149,032,889</u>	<u>133,047,700</u>	<u>23,391,422</u>	<u>8,432,838</u>
TOTAL EQUITY AND LIABILITIES		<u>485,180,559</u>	<u>447,715,799</u>	<u>335,518,146</u>	<u>303,781,359</u>

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	24	51,497,360	9,537,589	-	-
Direct operating costs	25	(27,109,037)	(4,566,926)	-	-
Gross profit		24,388,323	4,970,663	-	-
Other income	26	10,375,001	6,696,330	11,722,215	127,305
Administrative expenses		(9,671,658)	(5,881,517)	(2,938,002)	(3,098,088)
Other operating expenses		(4,733,124)	-	(5,444,244)	-
Operating profit/(loss)		20,358,542	5,785,476	3,339,969	(2,970,783)
Finance costs	27	(4,810,635)	(2,966,266)	(226,329)	(342,346)
Finance income	28	610,778	1,060,098	4,823,068	5,046,584
Profit before tax	29	16,158,685	3,879,308	7,936,708	1,733,455
Taxation	30	(4,596,263)	671,688	(679,648)	(745,507)
Net profit, representing total comprehensive income for the financial year		11,562,422	4,550,996	7,257,060	987,948
Profit attributable to:					
Owners of the Company		11,738,357	4,321,135	7,257,060	987,948
Non-controlling interests		(175,935)	229,861	-	-
		11,562,422	4,550,996	7,257,060	987,948
Total comprehensive income attributable to:					
Owners of the Company		11,738,357	4,321,135	7,257,060	987,948
Non-controlling interests		(175,935)	229,861	-	-
		11,562,422	4,550,996	7,257,060	987,948
Earnings per share attributable to owners of the Company (sen)					
- Basic/Diluted	31	4.03	1.61		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

NOTE	Share Capital RM	Treasury Shares RM	Non- distributable Reserves RM	Distributable Retained Profits RM	Total RM	Non- controlling Interests RM	Total Equity RM
2023							
Balance at beginning	156,424,247	(2,165,586)	352,940	155,860,725	310,472,326	4,195,773	314,668,099
Total comprehensive income for the financial year	-	-	-	11,738,357	11,738,357	(175,935)	11,562,422
Transactions with owners of the Company:							
16 Issuance of ordinary shares	7,078,154	-	-	-	7,078,154	-	7,078,154
17 Disposal of treasury shares	-	2,002,189	-	440,800	2,442,989	-	2,442,989
Acquisition of subsidiaries	-	-	-	-	-	396,006	396,006
Total transactions with owners	7,078,154	2,002,189	-	440,800	9,521,143	396,006	9,917,149
Balance at end	<u>163,502,401</u>	<u>(163,397)</u>	<u>352,940</u>	<u>168,039,882</u>	<u>331,731,826</u>	<u>4,415,844</u>	<u>336,147,670</u>
2022							
Balance at beginning	142,629,537	(2,165,586)	352,940	151,539,590	292,356,481	5,965,942	298,322,423
Total comprehensive loss for the financial year	-	-	-	4,321,135	4,321,135	229,861	4,550,996
Transactions with owners of the Company:							
16 Issuance of ordinary shares	13,794,710	-	-	-	13,794,710	-	13,794,710
Dividends paid to non-controlling interests	-	-	-	-	-	(2,000,000)	(2,000,000)
Acquisition of subsidiaries	-	-	-	-	-	(30)	(30)
Total transactions with owners	13,794,710	-	-	-	13,794,710	(2,000,030)	11,794,680
Balance at end	<u>156,424,247</u>	<u>(2,165,586)</u>	<u>352,940</u>	<u>155,860,725</u>	<u>310,472,326</u>	<u>4,195,773</u>	<u>314,668,099</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

NOTE	Share Capital RM	Treasury Shares RM	Non- distributable Reserves RM	Distributable Retained Profits RM	Total Equity RM
2023					
Balance at beginning	156,424,247	(2,165,586)	352,940	140,736,920	295,348,521
Total comprehensive income for the financial year	-	-	-	7,257,060	7,257,060
Transactions with owners of the Company:					
Issuance of ordinary shares	16 7,078,154	-	-	-	7,078,154
Disposal of treasury shares	17 -	2,002,189	-	440,800	2,442,989
Total transactions with owners	<u>7,078,154</u>	<u>2,002,189</u>	<u>-</u>	<u>440,800</u>	<u>9,521,143</u>
Balance at end	<u>163,502,401</u>	<u>(163,397)</u>	<u>352,940</u>	<u>148,434,780</u>	<u>312,126,724</u>
2022					
Balance at beginning	142,629,537	(2,165,586)	352,940	139,748,972	280,565,863
Total comprehensive income for the financial year	-	-	-	987,948	987,948
Transaction with owners of the Company:					
Issuance of ordinary shares	16 13,794,710	-	-	-	13,794,710
Balance at end	<u>156,424,247</u>	<u>(2,165,586)</u>	<u>352,940</u>	<u>140,736,920</u>	<u>295,348,521</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	16,158,685	3,879,308	7,936,708	1,733,455
Adjustments for:				
Allowance for expected credit losses on amount due from subsidiaries	-	-	-	209,625
Capital gain on other investments	(16,616)	-	-	-
Deposit written off	-	2,050	-	-
Depreciation of property, plant and equipment	278,493	190,349	5,570	7,331
Dividend income from investment in quoted unit trusts	(2,412)	(156,295)	(2)	(9,999)
Dividend income from subsidiaries	-	-	(11,500,000)	-
Fair value gain on investment properties, net	(6,841,100)	(2,857,806)	-	(30,806)
Fair value gain on other investments	(315,479)	(95,434)	(97,559)	-
Gain on disposal of property, plant and equipment	(6,699)	-	(6,699)	-
Impairment loss on investment in subsidiaries	-	-	3,250,000	-
Impairment loss on timber concessions	4,733,124	-	2,194,244	-
Interest expense	4,810,635	2,966,266	226,329	342,346
Interest income	(610,778)	(1,060,098)	(4,823,068)	(5,046,584)
Property, plant and equipment written off	1,228	995	380	-
Reversal of allowance for expected credit losses on:				
- amount due from subsidiaries	-	-	(37,320)	-
- trade receivables	-	(2,145)	-	-
Operating profit/(loss) before working capital changes	18,189,081	2,867,190	(2,851,417)	(2,794,632)
Changes in:				
Inventories	(1,183,539)	(15,164,287)	-	-
Receivables	(29,558,334)	5,755,350	(3,248,056)	(7,769,873)
Payables	21,775,205	8,024,073	43,289	31,414
Contract assets	5,375,571	(190,066)	-	-
Contract costs	2,300,000	(2,824,700)	-	-
Cash generated from/(used in) operations	16,897,984	(1,532,440)	(6,056,184)	(10,533,091)
Income tax paid	(3,431,491)	(1,849,898)	(783,746)	(743,760)
Real property gains tax paid	-	(2,617)	-	(2,617)
Income tax refunded	401,490	24,424	-	-
Interest received	23,733	10,366	-	-
Interest paid	(4,810,635)	(2,966,266)	(9,415)	(71,537)
Net cash from/(used in) operating activities	9,081,081	(6,316,431)	(6,849,345)	(11,351,005)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions of investment in a subsidiary		-	-	(5,700,001)	(10,000)
Dividend received from investment in quoted unit trusts		2,412	156,295	2	9,999
Dividend received from subsidiaries		-	-	11,500,000	-
Interest received		587,045	1,049,732	149,446	106,248
Net cash (outflow)/inflow on acquisition of subsidiaries		(1,685,038)	3	-	-
Net change in subsidiaries' balances		-	-	(5,535,625)	5,342,347
Proceeds from disposal of non-current assets held for sale		-	110,000	-	110,000
Proceeds from disposal of other investments		9,999,855	32,466,842	25,032,278	6,299,751
Proceeds from disposal of property, plant and equipment		6,700	-	6,700	-
Proceeds from issuance of shares to non-controlling interests		396,006	-	-	-
Placement of deposits with licensed banks		(9,675,000)	-	-	-
Purchase of other investments		(5,565,530)	(33,105,410)	(30,500,000)	(6,300,000)
Purchase of property, plant and equipment	B	(682,760)	(116,890)	-	-
Withdrawal of deposits with licensed banks		593,459	532,938	-	-
Net cash (used in)/from investing activities		(6,022,851)	1,093,510	(5,047,200)	5,558,345
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to non-controlling interests		-	(2,000,000)	-	-
Issuance of ordinary shares		7,078,154	13,794,710	7,078,154	13,794,710
Proceeds from disposal of treasury shares		2,442,989	-	2,442,989	-
Repayment of finance lease liabilities	C	(51,990)	(61,129)	-	-
Drawdown of term loans	C	500,000	-	-	-
Repayment of term loans	C	(7,856,291)	(3,491,573)	-	-
Net cash from financing activities		2,112,862	8,242,008	9,521,143	13,794,710
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,171,092	3,019,087	(2,375,402)	8,002,050
CASH AND CASH EQUIVALENTS AT BEGINNING		9,901,149	6,882,062	8,067,011	64,961
CASH AND CASH EQUIVALENTS AT END	A	15,072,241	9,901,149	5,691,609	8,067,011

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
A. Cash and cash equivalents					
Deposits with licensed banks		22,517,211	16,376,377	-	5,017,064
Cash and bank balances		14,052,606	6,229,243	5,691,609	3,049,947
Bank overdrafts		(7,930,663)	(8,219,099)	-	-
		<u>28,639,154</u>	<u>14,386,521</u>	<u>5,691,609</u>	<u>8,067,011</u>
Less: Deposits pledged with licensed banks		(13,566,913)	(4,485,372)	-	-
		<u>15,072,241</u>	<u>9,901,149</u>	<u>5,691,609</u>	<u>8,067,011</u>
B. Purchase of property, plant and equipment					
Total acquisition cost		(1,433,760)	(116,890)	-	-
Acquired under finance lease liabilities	C	<u>751,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash acquisition		<u>(682,760)</u>	<u>(116,890)</u>	<u>-</u>	<u>-</u>
C. Liabilities arising from financing activities					

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

	Balance at beginning RM	Net cash flows RM	Balance at end RM
GROUP			
2023			
Borrowings excluding bank overdrafts, representing total liabilities arising from financing activities	<u>67,072,520</u>	<u>(6,657,281)</u>	<u>60,415,239</u>
2022			
Borrowings excluding bank overdrafts, representing total liabilities arising from financing activities	<u>70,625,222</u>	<u>(3,552,702)</u>	<u>67,072,520</u>

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 18.05, MWE Plaza, No. 8, Lebuhr Farquhar, 10200 George Town, Pulau Pinang.

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 6 October 2023.

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 Group and 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 measurement

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 by 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

2. BASIS OF PREPARATION (cont'd)

2.2 Basis of Measurement (cont'd)

Fair value measurement (cont'd)

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.

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/Improvements 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/improvements to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations: 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

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

2. BASIS OF PREPARATION (cont'd)

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group and the Company:

Effective for annual periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information

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

Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 7 Financial Instruments: Disclosures and MFRS 107 Statement of Cash Flows - Supplier Finance Arrangements

Effective for annual period beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

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 and amendments to MFRSs is not expected to have any material impact 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:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

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

Classification between investment properties and owner-occupied properties (cont'd)

There are certain properties which are held for the purpose of earning rentals and for capital appreciation have been temporary used for administrative purpose. These properties are classified as investment properties based on the criteria set by the Group. Judgement is made on an individual property basis to determine whether a property is qualified as investment property.

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 34.3.1 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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)

(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.

(iv) Fair value of investment properties

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

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

(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 **RM3,250,000** (2022: RM Nil) was recognised in profit or loss to write down the subsidiaries to their 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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)

(vi) Impairment of timber concession

The Group and the Company perform an impairment review as and when there are impairment indicators to ensure that the carrying amount of the timber concession does not exceed its recoverable amount. The recoverable amount represents the higher of its fair value less cost to sale or value in use. Value in use represents present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercises judgement in determining the assumptions used in the fair value less cost to sales and value in use. An impairment loss of RM4,733,124 and RM2,194,244 of the Group and of the Company respectively was recognised in profit or loss to write down the timber concession to its recoverable amount.

The carrying amount of timber concession as at the end of reporting period is disclosed in Note 7 to the financial statements.

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.

(ii) Basis of consolidation

The Group's 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.1 Consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 a fair value through comprehensive income depending on the level of influence retained.

(vi) Non-controlling interests

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

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

(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:

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%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.2 Property, Plant and Equipment (cont'd)

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

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

3.3 Investment Properties

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are measured at fair value and are revalued annually and are included in the statements of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment properties are derecognised when either they are disposed of or when they are 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 financial year in which they arise.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained profits; the transfer is not made through profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.4 Leases (cont'd)

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 premise (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 does 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 or 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.

3.5.1 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.5 Inventories (cont'd)

3.5.3 Completed development units

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 Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Financial Instruments

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

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").

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.1 Financial assets (cont'd)

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

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 AC (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

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

Financial assets at AC

Financial assets at AC are subsequently measured using the effective interest rate method ("EIR") 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 AC includes trade and other receivables, refundable deposit, amount due from subsidiaries, deposits with licensed banks and cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 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 and the Company 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 and the Company's financial assets at FVTPL include investment 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, they evaluate 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 AC, debt investments measured at FVOCI, 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 ("ECL"), 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 ECL. Loss allowances for trade and other receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 ECL, 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's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

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

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

An impairment loss in respect of financial assets measured at AC 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 AC and debt securities at FVOCI 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's 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, accruals, amount due to subsidiaries and borrowings.

(ii) Subsequent measurement

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

- Financial liabilities at FVTPL
- Financial liabilities at AC

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 AC

After initial recognition, trade and other payables, accruals, amount due to subsidiaries and interest-bearing borrowings are subsequently measured at AC using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC 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 in accordance with the terms of a debt instrument.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.10 Provisions

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

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

3.11 Revenue From Contracts with Customers

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

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 properties

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) 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 Group's performance as the Group performs.

(iv) Rental income

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.11 Revenue From Contracts with Customers (cont'd)

(v) **Interest income**

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

(vi) **Dividend income**

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

3.11.1 Contract balances

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

Trade receivables and trade related amount due from subsidiaries

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

Cost to obtain a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.12 Employee Benefits

Short term benefits

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

Defined contribution plans

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

3.13 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 temporary differences arising from 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.14 Income Tax (cont'd)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date, except for investment properties carried at fair value model. Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3.3 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale.

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")

SST is recognised as part of the expense or cost of acquisition of the asset as SST is not recoverable.

Revenue is recognised net of the amount of SST billed as it is payable to the taxation authority.

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

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 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

3. ACCOUNTING POLICIES (cont'd)

3.18 Share Capital, Share Issuance Costs and Dividends (cont'd)

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.

3.19 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.

3.20 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Shoplot RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Capital work-in progress RM	Total RM
2023						
At cost						
Balance at beginning	347,614	91,274	1,531,164	1,151,117	-	3,121,169
Additions	-	-	289,893	1,065,769	78,098	1,433,760
Disposals	-	-	-	(16,380)	-	(16,380)
Written off	-	-	(28,670)	-	-	(28,670)
Balance at end	<u>347,614</u>	<u>91,274</u>	<u>1,792,387</u>	<u>2,200,506</u>	<u>78,098</u>	<u>4,509,879</u>
Accumulated depreciation						
Balance at beginning	64,691	91,273	1,125,294	1,112,126	-	2,393,384
Current charge	5,891	-	128,870	143,732	-	278,493
Disposals	-	-	-	(16,379)	-	(16,379)
Written off	-	-	(27,442)	-	-	(27,442)
Balance at end	<u>70,582</u>	<u>91,273</u>	<u>1,226,722</u>	<u>1,239,479</u>	<u>-</u>	<u>2,628,056</u>
Carrying amount	<u>277,032</u>	<u>1</u>	<u>565,665</u>	<u>961,027</u>	<u>78,098</u>	<u>1,881,823</u>
2022						
At cost						
Balance at beginning	347,614	91,274	1,421,116	1,151,117	-	3,011,121
Additions	-	-	116,890	-	-	116,890
Written off	-	-	(6,842)	-	-	(6,842)
Balance at end	<u>347,614</u>	<u>91,274</u>	<u>1,531,164</u>	<u>1,151,117</u>	<u>-</u>	<u>3,121,169</u>
Accumulated depreciation						
Balance at beginning	58,800	91,273	1,023,883	1,034,926	-	2,208,882
Current charge	5,891	-	107,258	77,200	-	190,349
Written off	-	-	(5,847)	-	-	(5,847)
Balance at end	<u>64,691</u>	<u>91,273</u>	<u>1,125,294</u>	<u>1,112,126</u>	<u>-</u>	<u>2,393,384</u>
Carrying amount	<u>282,923</u>	<u>1</u>	<u>405,870</u>	<u>38,991</u>	<u>-</u>	<u>727,785</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2023				
At cost				
Balance at beginning	84,740	120,395	16,380	221,515
Disposal	-	-	(16,380)	(16,380)
Written off	-	(11,720)	-	(11,720)
Balance at end	<u>84,740</u>	<u>108,675</u>	<u>-</u>	<u>193,415</u>
Accumulated depreciation				
Balance at beginning	84,739	104,841	16,379	205,959
Current charge	-	5,570	-	5,570
Disposal	-	-	(16,379)	(16,379)
Written off	-	(11,340)	-	(11,340)
Balance at end	<u>84,739</u>	<u>99,071</u>	<u>-</u>	<u>183,810</u>
Carrying amount	<u>1</u>	<u>9,604</u>	<u>-</u>	<u>9,605</u>
2022				
At cost				
Balance at beginning/end	<u>84,740</u>	<u>120,395</u>	<u>16,380</u>	<u>221,515</u>
Accumulated depreciation				
Balance at beginning	84,739	99,145	14,744	198,628
Current charge	-	5,696	1,635	7,331
Balance at end	<u>84,739</u>	<u>104,841</u>	<u>16,379</u>	<u>205,959</u>
Carrying amount	<u>1</u>	<u>15,554</u>	<u>1</u>	<u>15,556</u>

GROUP

The carrying amount of motor vehicles which are pledged as securities for the finance lease liabilities as disclosed in Note 21 to the financial statements are **RM846,327** (2022: RM38,986).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Investment properties at fair value:				
Balance at beginning	118,919,820	116,062,014	770,000	739,194
Additions	41,698,900	-	-	-
Net fair value gain recognised in profit or loss	6,841,100	2,857,806	-	30,806
Balance at end	<u>167,459,820</u>	<u>118,919,820</u>	<u>770,000</u>	<u>770,000</u>

The reconciliation of the fair value is shown above.

The investment properties consist of the following:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Freehold land	320,000	320,000	320,000	320,000
Freehold shoplots	65,760,000	60,530,000	450,000	450,000
Leasehold building	37,820	37,820	-	-
Leasehold office lots	29,960,000	29,960,000	-	-
Leasehold shoplots	71,382,000	28,072,000	-	-
	<u>167,459,820</u>	<u>118,919,820</u>	<u>770,000</u>	<u>770,000</u>

(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 **RM123,342,000** (2022: RM118,112,000).

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

The Group and the Company have entered into operating leases on their 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income	5,522,124	4,312,890	-	-
Direct operating expenses of investment properties:				
- income generating	402,847	410,610	-	-
- non-income generating	<u>44,488</u>	<u>50,966</u>	<u>2,792</u>	<u>2,924</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

5. INVESTMENT PROPERTIES (cont'd)

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

Future minimum rental receivable under non-cancellable operating leases as at the end of the reporting period is as follows:

	GROUP	
	2023 RM	2022 RM
Within one year	4,985,564	3,125,713
More than one year and less than five years	3,823,113	1,100,578
	<u>8,808,677</u>	<u>4,226,291</u>

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	48,177,330	27,177,329
Unquoted redeemable preference shares, at cost	99,308,000	99,308,000
	<u>147,485,330</u>	<u>126,485,329</u>
Less: Allowance for impairment		
Balance at beginning	(15,776,799)	(15,776,799)
Current year	(3,250,000)	-
Balance at end	<u>(19,026,799)</u>	<u>(15,776,799)</u>
	<u>128,458,531</u>	<u>110,708,530</u>

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

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
Great Eastern Mills Berhad ("GEM") ⁽¹⁾	78	78	Dormant.
Sam Koh Company Sdn. Berhad	100	100	Extraction and sale of timber.
Seal Ventures Sdn. Bhd.	100	100	Property development.
Seal Trading Corporation Sdn. Bhd. ("STCSB")	100	100	Trading of timber.
Seal Properties (KL) Sdn. Bhd. ("SPKL")	100	100	Turnkey, project and construction manager for property development.
SM Management Sdn. Bhd. ("SMMSB")	100	100	Providing administrative services and supplying of all types of computer hardware and software, including hardware and software leasing or renting.
Seal Land Sdn. Bhd.	100	100	Property development.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
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.	100	100	Property investment.
Seal Properties (SP) Sdn. Bhd.	100	100	Property development.
Ardentige Marketing Sdn. Bhd.	100	100	Provision of marketing services.
Utmost Construction Sdn. Bhd.	100	100	Construction of buildings and erections of every kind.
Seal Properties (PG) Sdn. Bhd.	100	100	Property development.
Seal Mall (KL) Sdn. Bhd.	100	100	Dormant.
Seal Management Sdn. Bhd.	100	100	Property investment.
Seal Meditech Sdn. Bhd. ("SMSB")	100	100	Dormant.
Daiman Majumas Sdn. Bhd. ("DMSB")	100	-	Investment holding.
Damai Kiarajaya Sdn. Bhd. ("DKSB")	100	-	Turnkey, project and construction manager for property development.
Indirect - held through Seal Properties Sdn. Bhd.			
Seal Lifestyle Development Sdn. Bhd.	100	100	Property development.
Seal Concepts Sdn. Bhd. ("SCSB") ⁽²⁾	91	91	Property development.
Seal Properties (Bayan City) Sdn. Bhd. ("SPBC") ⁽³⁾	51	51	Property development.
Capitol Property Management Sdn. Bhd. ("CPM") ⁽²⁾	91	91	Providing property management services.
Indirect - held through Seal Properties (KL) Sdn. Bhd.			
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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2023 %	2022 %	
Indirect - held through Seal Properties (PG) Sdn. Bhd. (Cont'd)			
CPM ⁽²⁾	9	9	Providing property management services.
Mutiara Bay Residency Sdn. Bhd. ("MBRSB")	99.80	99.80	Property development.
Mutiara Biopolis Developments Sdn. Bhd. ("MBDSB")	99.90	99.90	Property development.
Indirect - held through Daiman Majumas Sdn. Bhd.			
Mutiara Waterfront Habitats Sdn. Bhd. ("MWHBSB")	80	-	Property development.

⁽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.

6.1 Subscription of ordinary shares in subsidiaries

2023

- (i) On 21 March 2023, the Company has subscribed additional 4,000,000 ordinary shares in SMMSB for a cash consideration of RM4,000,000. No changes in equity interest in SMMSB subsequent to the subscription of ordinary shares.
- (ii) On 16 March 2023, the Company has subscribed 1 ordinary share in DKSB for a cash consideration of RM1. Subsequent to the subscription, DKSB has become a wholly-owned subsidiary of the Company.

2022

In the previous financial year, the Company had subscribed 10,000 ordinary shares in SMSB, representing 100% equity interest in SMSB for a cash consideration of RM10,000.

6.2 Acquisition of subsidiaries

2023

During the financial year, the Company has subscribed 100 ordinary shares in DMSB, representing 100% equity interest in DMSB for a total purchase consideration of RM17,000,000 via a combination of cash payment of RM5,000,000 and the issuance of 40,677,966 new ordinary shares. Consequently, MWHBSB has become an indirect subsidiary of the Company held through DMSB.

2022

In the previous financial year, the subsidiary of the Company, Seal Properties (PG) Sdn. Bhd. had subscribed 998 and 999 new ordinary shares in MBRSB and MBDSB respectively, representing 99.8% and 99.9% equity interest in MBRSB and MBDSB respectively for a cash consideration of RM998 and RM999 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. INVESTMENT IN SUBSIDIARIES (cont'd)

6.3 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, an impairment loss of **RM3,250,000** (2022: RM Nil) is recognised in the current financial year.

6.4 Subsidiaries with material non-controlling interests ("NCI")

The details of the material NCI are as follows:

	SPBC	MWHSB	Total
2023			
NCI percentage of ownership interest and voting interest (%)	40%	20%	
Carrying amount of NCI (RM)	<u>4,201,895</u>	<u>156,901</u>	<u>4,358,796</u>
Profit/(Loss) allocated to NCI (RM)	<u>64,018</u>	<u>(239,105)</u>	<u>(175,087)</u>
2022			
NCI percentage of ownership interest and voting interest (%)	40%	-	
Carrying amount of NCI (RM)	<u>4,137,878</u>	<u>-</u>	<u>4,137,878</u>
Profit allocated to NCI (RM)	<u>236,545</u>	<u>-</u>	<u>236,545</u>

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

	SPBC RM	MWHSB RM
2023		
Assets and liabilities		
Non-current assets	3,742	-
Current assets	10,511,629	29,033,550
Non-current liabilities	-	(318,272)
Current liabilities	<u>(10,633)</u>	<u>(27,930,772)</u>
Net assets	<u>10,504,738</u>	<u>784,506</u>
Results		
Other income	247,291	-
Net profit/(loss), representing total comprehensive income/(loss) for the financial year	<u>160,044</u>	<u>(1,195,525)</u>
Net cash generated from/(used in):		
Operating activities	(310,477)	(12,231,957)
Investing activities	3,839,791	(8,500,000)
Financing activities	<u>-</u>	<u>21,963,750</u>
Net change in cash and cash equivalents	<u>3,529,314</u>	<u>1,231,793</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

6. INVESTMENT IN SUBSIDIARIES (cont'd)

6.4 Subsidiaries with material non-controlling interests ("NCI") (cont'd)

	SPBC RM	MWHBSB RM
2022		
Assets and liabilities		
Non-current assets	4,891	-
Current assets	10,399,739	-
Current liabilities	<u>(59,936)</u>	<u>-</u>
Net assets	<u>10,344,694</u>	<u>-</u>
Results:		
Other income	152,361	-
Net profit, representing total comprehensive income for the financial year	<u>591,363</u>	<u>-</u>
Net cash generated from/(used in):		
Operating activities	4,637,728	-
Investing activities	486,608	-
Financing activities	<u>(5,000,000)</u>	<u>-</u>
Net change in cash and cash equivalents	<u>124,336</u>	<u>-</u>
Other information		
Dividends paid to non-controlling interests	<u>(2,000,000)</u>	<u>-</u>

7. TIMBER CONCESSIONS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Timber concessions	15,663,341	15,663,341	7,058,654	7,058,654
Less: Accumulated impairment losses	<u>(9,597,534)</u>	<u>(4,864,410)</u>	<u>(7,058,654)</u>	<u>(4,864,410)</u>
	<u>6,065,807</u>	<u>10,798,931</u>	<u>-</u>	<u>2,194,244</u>

During the financial year, the Group and the Company carried out a review of the recoverable amount of their timber concessions due to the dissolution of certain companies who own the compartments. Accordingly, impairment loss of **RM4,733,124** (2022: RM Nil) and **RM2,194,244** (2022: RM Nil) of the Group and of the Company respectively are recognised in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

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8. INVENTORIES

	Note	GROUP		COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Non-current:					
Land held for development	8.1	112,042,431	95,016,670	17,599,245	17,599,245
Current:					
Property development costs	8.2	25,558,758	36,273,315	-	-
Completed development properties	8.3	2,161,280	5,603,907	-	-
		<u>27,720,038</u>	<u>41,877,222</u>	<u>-</u>	<u>-</u>
		<u>139,762,469</u>	<u>136,893,892</u>	<u>17,599,245</u>	<u>17,599,245</u>
Cost of inventories recognised in profit or loss:					
Inventories recognised as cost of sales		<u>20,644,583</u>	<u>2,136,409</u>	<u>-</u>	<u>-</u>

8.1 Land held for development

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Land	94,477,480	94,477,480	17,060,055	17,060,055
Development costs	<u>17,564,951</u>	<u>539,190</u>	<u>539,190</u>	<u>539,190</u>
	<u>112,042,431</u>	<u>95,016,670</u>	<u>17,599,245</u>	<u>17,599,245</u>
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	<u>17,564,951</u>	<u>539,190</u>	<u>539,190</u>	<u>539,190</u>
	<u>112,042,431</u>	<u>95,016,670</u>	<u>17,599,245</u>	<u>17,599,245</u>

The carrying amount of the Group's and of the Company's freehold land and leasehold land which are pledged to licensed banks 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** (2022: RM17,060,055).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

8. INVENTORIES (cont'd)

8.2 Property development costs

	GROUP	
	2023 RM	2022 RM
Balance at beginning		
Freehold land, at cost	29,837,260	13,337,260
Development costs	<u>6,436,055</u>	<u>3,823,356</u>
	36,273,315	17,160,616
Arising from acquisition of subsidiaries		
Development costs	-	1,812,003
Costs incurred during the financial year		
Freehold land, at cost	-	16,500,000
Development costs	<u>6,487,399</u>	<u>800,696</u>
	6,487,399	17,300,696
Costs recognised in profit or loss	(17,201,956)	-
Balance at end	<u>25,558,758</u>	<u>36,273,315</u>
Represented by:		
Freehold land	16,500,000	29,837,260
Development costs	<u>9,058,758</u>	<u>6,436,055</u>
	<u>25,558,758</u>	<u>36,273,315</u>

Included herein is a freehold land amounting to **RM Nil** (2022: RM13,337,260) which is pledged to a licensed bank as securities for banking facilities granted to a subsidiary as disclosed in Note 21 to the financial statements.

8.3 Completed development properties

Included herein are completed development properties amounting to **RM Nil** (2022: RM2,399,033) 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.

NOTES TO THE FINANCIAL STATEMENTS

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9. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2023	2022
	RM	RM
Non-current		
Non-trade related		
- Interest bearing at 3% to 7.95% (2022: 3% to 7.95%) per annum	<u>65,210,676</u>	<u>79,584,511</u>
Current		
Trade related	-	1,808,364
Non-trade related		
- Non-interest bearing	<u>41,749,233</u>	<u>31,446</u>
Less: Allowance for expected credit losses	<u>(26,881)</u>	<u>(26,881)</u>
	41,722,352	4,565
- Interest bearing at 3% to 7.95% (2022: 3% to 7.95%) per annum	<u>10,987,490</u>	<u>75,697,236</u>
Less: Allowance for expected credit losses	<u>(563,188)</u>	<u>(600,508)</u>
	<u>10,424,302</u>	<u>75,096,728</u>
Total current amount due from subsidiaries	<u>52,146,654</u>	<u>76,909,657</u>
Total amount due from subsidiaries	<u>117,357,330</u>	<u>156,494,168</u>
Amount due to subsidiaries		
Non-trade related		
- Non-interest bearing	246,000	-
- Interest bearing at 3% (2022: 3%) per annum	<u>7,318,333</u>	<u>7,844,940</u>
	<u>7,564,333</u>	<u>7,844,940</u>

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

	COMPANY	
	2023	2022
	RM	RM
Balance at beginning	627,389	417,764
Current year	<u>(37,320)</u>	<u>209,625</u>
Balance at end	<u>590,069</u>	<u>627,389</u>

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

The amount due to subsidiaries is unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

10. TRADE RECEIVABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	9,463,269	47,309,668	135,124	135,124
Less: Allowance for expected credit losses				
Balance at beginning	7,972,540	7,974,685	135,124	135,124
Reversal	-	(2,145)	-	-
Balance at end	7,972,540	7,972,540	135,124	135,124
	1,490,729	39,337,128	-	-

Included in the Group's trade receivables is retention sum receivables of **RM Nil** (2022: RM4,838,169).

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

The trade receivables are non-interest bearing and 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 ranges from **14 to 21 days** (2022: 14 to 21 days) from the date of the progress billings.
- (ii) Construction : Credit term is **30 days** (2022: 30 days) from the date of the progress billings.
- (iii) Others : Credit term ranges from **7 to 90 days** (2022: 7 to 90 days).

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
# Other receivables	84,298,311	82,950,708	52,089,661	769,849
Less: Allowance for expected credit losses	(769,849)	(769,849)	(769,849)	(769,849)
	83,528,462	82,180,859	51,319,812	-
^ Stakeholders' sum	265,000	265,000	-	-
* Non-refundable deposits	6,051,991	7,751,991	6,051,991	7,751,991
** Refundable deposits	2,968,792	444,458	-	860
	9,020,783	8,196,449	6,051,991	7,752,851
Prepayments	39,394,672	15,521,146	17,611,833	15,096,845
Less: Accumulated impairment losses	(14,917,340)	(14,917,340)	(14,917,340)	(14,917,340)
	24,477,332	603,806	2,694,493	179,505
Accrued income	4,084	343,714	-	-
	117,295,661	91,589,828	60,066,296	7,932,356

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

GROUP

On 19 February 2013, Seal Properties (KL) Sdn. Bhd. entered into a Turnkey Agreement with Dwtasik 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 of the Group and of the Company are **RM75,958,662** (2022: RM80,316,498) and **RM48,885,884** (2022: RM Nil) respectively 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.

^ The entire stakeholder's sum is 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 Paramount"), Sierra Bonus Sdn. Bhd. and Sulaiman Bin Ahmad on 16 December 2016 in relation to an Originating Summons and a Notice of Discontinuance filed by Sovereign Paramount.

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

* Included in the non-refundable deposits of the Group and of the Company are an amount of:

(i) **RM5,978,610** (2022: RM5,978,610) being payment to Perbadanan Pembangunan Pulau Pinang in accordance to Clause 4.1(d) of Share Sale Agreement of acquiring Daiman as disclosed in Note 38(i) to the financial statements; and

(ii) **RM Nil** (2022: RM1,700,000) being 10% deposit paid to acquire 100% equity interest in Daiman Majumas Sdn. Bhd. ("Daiman") as disclosed in Note 38(i) to the financial statements.

** Included in the refundable deposits of the Group are an amount of:

(i) **RM1,000,000** (2022: RM Nil) being refundable earnest deposit paid to the landowners upon the execution of Joint Venture Agreement as disclosed in Note 38(ii) to the financial statements; and

(ii) **RM1,500,000** (2022: RM Nil) being refundable security deposit paid to a non-controlling interest in order to secure the performance of Daiman of its obligations to complete the land reclamation.

12. CONTRACT ASSETS

	GROUP	
	2023	2022
	RM	RM
Construction contracts		
Balance at beginning	5,620,132	5,334,329
Revenue recognised during the financial year	-	363,414
Progress billings during the financial year	(5,204,195)	(77,611)
Balance at end	415,937	5,620,132
Project management fee		
Balance at beginning	448,750	544,487
Revenue reversed during the financial year	-	(25,677)
Progress billings during the financial year	(171,376)	(70,060)
Balance at end	277,374	448,750
Total contract assets	693,311	6,068,882

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

12. CONTRACT ASSETS (cont'd)

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

13. CONTRACT COSTS

	Note	GROUP	
		2023 RM	2022 RM
Cost to obtain contract	13.1	-	1,850,000
Cost to fulfil contract	13.2	<u>1,285,911</u>	<u>1,735,911</u>
		<u>1,285,911</u>	<u>3,585,911</u>

13.1 Cost to obtain contract

Cost to obtain contract was in relation to the commission paid to intermediaries as a result of obtaining contracts and they are recoverable.

These costs will be recognised to profit or loss when the related revenue is recognised. During the financial year, the amount recognised in profit or loss is **RM1,850,000** (2022: RM Nil).

13.2 Cost to fulfil contract

Cost to fulfil contract is in relation to the construction related costs that are attributable to the on-going construction projects and expenditures that are attributable to the fulfilment of contract.

These costs will be recognised to profit or loss when the related revenue is recognised. During the financial year, the amount of amortisation is **RM2,265,410** (2022: RM Nil).

14. OTHER INVESTMENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets at fair value through profit or loss				
- Investment in quoted unit trusts	<u>9,997,247</u>	<u>14,099,477</u>	<u>5,565,530</u>	<u>249</u>

15. DEPOSITS WITH LICENSED BANKS

Included herein is the Group's fixed deposits with licensed banks amounting to **RM13,566,913** (2022: RM4,485,372) 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 and of the Company as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Effective interest rates per annum (%)	<u>1.50 to 3.20</u>	<u>1.50 to 3.10</u>	-	<u>1.85 to 1.95</u>
Maturity period (months)	<u>1 to 12</u>	<u>1 to 12</u>	-	<u>1 to 2</u>

NOTES TO THE FINANCIAL STATEMENTS

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16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023	2022	2023 RM	2022 RM
Issued and fully paid with no par value:				
Balance at beginning	289,022,684	242,952,684	156,424,247	142,629,537
Issuance of ordinary shares	<u>28,312,618</u>	<u>46,070,000</u>	<u>7,078,154</u>	<u>13,794,710</u>
Balance at end	<u>317,335,302</u>	<u>289,022,684</u>	<u>163,502,401</u>	<u>156,424,247</u>

During the financial year, the Company has increased its issued and fully paid up ordinary share capital by way of issuance of **28,312,618** (2022: 23,000,000 and 23,070,000) new ordinary shares through a private placement at an issued price of approximately **RM0.25** (2022: RM0.346 and RM0.253) per ordinary share.

The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

17. 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 22 December 2022.

During the financial year, the Company sold 5,451,100 of its treasury shares to the open market at the average price of approximately RM0.45 per share. The total proceeds from the sale of treasury shares net off transaction costs is RM2,442,989. The difference between the proceeds and the cost of the treasury shares which amounted to RM440,800 is recognised in equity.

Of the total **317,355,302** (2022: 289,022,684) issued and fully paid ordinary shares as at the end of the reporting period, **445,400** (2022: 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 **316,889,902** (2022: 283,126,184) ordinary shares.

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

18. RESERVES

	GROUP AND COMPANY	
	2023 RM	2022 RM
Asset revaluation reserve	<u>352,940</u>	<u>352,940</u>

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

19. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

20. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Accrued development costs	16,000,000	16,000,000	-	-
Current				
Other payables	10,674,904	915,569	92,855	70,476
Accruals:				
- Accrued development costs	6,500,000	6,500,000	-	-
- Accrued profit sharing #	4,494,464	4,494,464	-	-
- Others*	28,954,190	9,613,420	15,652,531	331,621
	39,948,654	20,607,884	15,652,531	331,621
Deposits received	1,973,822	5,776,505	-	-
Rental received in advance	53,991	54,939	-	-
SST payables	22,784	14,163	-	-
	52,674,155	27,369,060	15,745,386	402,097
Total other payables and accruals	68,674,155	43,369,060	15,745,386	402,097

GROUP

On 19 February 2013, Seal Properties (KL) Sdn. Bhd. ("SPKL") has entered into a Turnkey Agreement with Dwitasik Sdn. Bhd. ("Dwitasik") to develop a piece of land measuring approximately 12.46 acres into a mixed development project ("the Development") subject to the terms and conditions contained therein. SPKL had agreed and undertook to pay a minimum guarantee profit of RM30 million to Dwitasik (which forms part of the parties agreed profit sharing ratio of 40% (Dwitasik) and 60% (SPKL)). The payment of RM30 million minimum guarantee profit to Dwitasik has been assessed from time to time.

* Included in the other payables of the Group and of the Company is the remaining purchase consideration of RM15,300,000 for the acquisition of the wholly-owned subsidiary, DMSB. The further relevant details are disclosed in Note 38(i) to the financial statements.

21. BORROWINGS

	GROUP	
	2023 RM	2022 RM
Non-current liabilities		
Secured:		
<u>Finance lease liabilities</u>		
Minimum payments:		
Within 1 year	185,768	24,564
More than 1 year and less than 2 years	171,444	14,324
More than 2 years and less than 5 years	476,510	-
	833,722	38,888
Future finance charges	(97,155)	(1,331)
	736,567	37,557
Amount due within 1 year included under current liabilities	(149,494)	(23,429)
	587,073	14,128
<u>Term loans</u>		
Total amount repayable	59,678,672	67,034,963
Amount due within 1 year included under current liabilities	(4,905,762)	(5,007,600)
	54,772,910	62,027,363
	55,359,983	62,041,491

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

21. BORROWINGS (cont'd)

	GROUP	
	2023	2022
	RM	RM
Current liabilities		
Secured:		
Bank overdrafts	7,930,663	8,219,099
Finance lease liabilities	149,494	23,429
Term loans	4,905,762	5,007,600
	12,985,919	13,250,128
Total borrowings	68,345,902	75,291,619

The borrowings of the Group and of the Company are secured by way of:

- (i) Legal charge over the Group's freehold shoplots, leasehold office lots and leasehold 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 land and leasehold land as disclosed in Note 8.1 and Note 8.2 to the financial statements;
- (iv) First party legal charge over certain completed development properties as disclosed in Note 8.3 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) Corporate guarantee by the Company; and
- (vii) Leased assets as disclosed in Note 4 to the financial statements.

As agreed in the Turnkey Agreement, all interest charged on the banking facilities obtained to finance the Development shall be treated as part of the development costs as disclosed in Note 11 to the financial statements and therefore, interest arising from these banking facilities is borne by Dwitasik Sdn. Bhd..

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

	Effective interest rates per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2023						
Bank overdrafts	7.45	7,930,663	7,930,663	-	-	-
Finance lease liabilities	2.97 - 3.93	736,567	149,494	143,723	443,350	-
Term loans	5.12 - 8.50	59,678,672	4,905,762	4,992,050	15,082,365	34,698,495
2022						
Bank overdrafts	6.20	8,219,099	8,219,099	-	-	-
Finance lease liabilities	2.33	37,557	23,429	14,128	-	-
Term loans	3.44 - 5.15	67,034,963	5,007,600	5,099,667	15,771,686	41,156,010

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

22. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance at beginning	2,358,119	2,138,331	6,675	6,675
Recognised in profit or loss	684,000	221,788	-	-
	<u>3,042,119</u>	<u>2,360,119</u>	<u>6,675</u>	<u>6,675</u>
Over provision in prior year	-	(2,000)	-	-
Balance at end	<u>3,042,119</u>	<u>2,358,119</u>	<u>6,675</u>	<u>6,675</u>

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	37,000	37,000	3,000	3,000
Investment properties	3,005,119	2,321,119	3,675	3,675
	<u>3,042,119</u>	<u>2,358,119</u>	<u>6,675</u>	<u>6,675</u>

23. TRADE PAYABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	4,297,263	2,316,458	2,444	2,444
Retention sum payables	3,821,667	9,332,362	-	-
	<u>8,118,930</u>	<u>11,648,820</u>	<u>2,444</u>	<u>2,444</u>

The trade payables are non-interest bearing and are normally settled within **7 to 90 days** (2022: 30 to 90 days) credit terms.

24. REVENUE

24.1 Disaggregated revenue information

	GROUP	
	2023 RM	2022 RM
Types of revenue or services		
Sales of completed development properties	5,169,000	2,870,112
Sales of land	39,350,000	-
Construction contract revenue	283,305	363,414
Provision of marketing services	518,343	2,016,850
Reversal of project management fee	-	(25,677)
Total revenue from contracts with customers	<u>45,320,648</u>	<u>5,224,699</u>
Rental income, representing other revenue	6,176,712	4,312,890
Total revenue	<u>51,497,360</u>	<u>9,537,589</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

24. REVENUE (cont'd)

24.1 Disaggregated revenue information (cont'd)

	GROUP	
	2023 RM	2022 RM
Timing of revenue recognition		
Performance obligation satisfied over time	283,305	337,737
Performance obligation satisfied at a point in time	45,037,343	4,886,962
Total revenue from contracts with customers	45,320,648	5,224,699

Geographical segments

The Group's revenue is derived from Malaysia only.

24.2 Performance obligations

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

25. DIRECT OPERATING COSTS

	GROUP	
	2023 RM	2022 RM
Completed development properties costs	3,442,627	2,136,409
Cost of land and land related costs	19,467,366	-
Construction contract costs	716,966	1,015,238
Commission	1,850,000	-
Rental operating costs	1,632,078	1,415,279
	27,109,037	4,566,926

26. OTHER INCOME

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Administrative income	3,169,036	3,476,708	1,500	-
Capital gain on other investments	16,616	-	-	-
Deposits forfeited	18,000	16,667	-	-
Dividend income from investment in quoted unit trusts	2,412	156,295	2	9,999
Dividend income from subsidiaries	-	-	11,500,000	-
Fair value gain on investment properties	6,841,100	2,882,806	-	30,806
Fair value gain on other investments	315,479	95,434	97,559	-
Gain on disposal of property, plant and equipment	6,699	-	6,699	-
Miscellaneous income	5,659	27,700	79,135	86,500
Realised gain on foreign exchange	-	254	-	-
Rental income	-	38,321	-	-
Reversal of allowance for expected credit losses on:				
- amount due from subsidiaries	-	-	37,320	-
- trade receivables	-	2,145	-	-
	10,375,001	6,696,330	11,722,215	127,305

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCE COSTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses on:				
- bank overdrafts	9,415	71,076	9,415	71,537
- finance lease liabilities	17,560	2,585	-	-
- term loans	3,304,272	2,892,605	-	-
- late payment	1,479,388	-	-	-
- amount due to subsidiaries	-	-	216,914	270,809
	4,810,635	2,966,266	226,329	342,346

28. FINANCE INCOME

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income				
- financial institutions	587,045	342,271	149,446	106,248
- amount due from subsidiaries	-	-	4,673,622	4,940,336
- stakeholder's sum	-	717,360	-	-
- others	23,733	467	-	-
	610,778	1,060,098	4,823,068	5,046,584

29. PROFIT BEFORE TAX

This is arrived at after charging:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Administrative fee	-	-	785,000	638,000
Allowance for expected credit losses on amount due from subsidiaries	-	-	-	209,625
Audit fee				
- statutory audit				
- current year	140,500	115,000	41,000	38,000
- assurance related services	3,000	3,000	3,000	3,000
- other auditors				
- under provision in prior year	-	100	-	-
Deposit written off	-	2,050	-	-
Depreciation of property, plant and equipment	278,493	190,349	5,570	7,331
Directors' fees	288,000	276,000	288,000	276,000
Expense relating to lease of low value assets	39,000	-	-	-
Fair value loss on investment properties	-	25,000	-	-
Human resources service fee	-	-	72,000	72,000
Impairment loss on investment in subsidiaries	-	-	3,250,000	-
Impairment loss on timber concessions	4,733,124	-	2,194,244	-
Information technology support service fee	-	-	72,000	72,000
Property, plant and equipment written off	1,228	995	380	-
* Staff costs	3,797,501	3,184,135	669,819	461,924

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

29. PROFIT BEFORE TAX (cont'd)

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
* Staff costs				
- Salaries, wages, overtime, allowances, incentive and bonus	3,374,670	2,838,621	598,500	411,800
- EPF	390,259	319,828	70,200	49,200
- SOCSO	29,305	23,110	1,004	829
- EIS	3,267	2,576	115	95
	<u>3,797,501</u>	<u>3,184,135</u>	<u>669,819</u>	<u>461,924</u>

The directors' emoluments of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive directors of the Company:				
Salaries and bonus	721,000	540,000	585,000	410,000
EPF	70,200	49,200	70,200	49,200
SOCSO	1,722	1,422	1,004	829
EIS	115	95	115	95
	<u>793,037</u>	<u>590,717</u>	<u>656,319</u>	<u>460,124</u>
Benefits-in-kind	35,210	26,650	-	-
	<u>828,247</u>	<u>617,367</u>	<u>656,319</u>	<u>460,124</u>
Non-executive directors of the Company:				
- Directors' fees	288,000	276,000	288,000	276,000
- Allowances	13,500	1,800	13,500	1,800
	<u>301,500</u>	<u>277,800</u>	<u>301,500</u>	<u>277,800</u>
	<u>1,129,747</u>	<u>895,167</u>	<u>957,819</u>	<u>737,924</u>

30. TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(3,892,000)	(1,168,600)	(664,000)	(760,000)
- Real property gains tax	-	(2,617)	-	(2,617)
- Deferred tax relating to the origination and reversal of temporary differences	(684,000)	(221,788)	-	-
Balance carried forward	<u>(4,576,000)</u>	<u>(1,393,005)</u>	<u>(664,000)</u>	<u>(762,617)</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. TAXATION (cont'd)

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance brought forward	(4,576,000)	(1,393,005)	(664,000)	(762,617)
(Under)/Over provision in prior year				
- Current tax	(20,263)	2,062,693	(15,648)	17,110
- Deferred tax	-	2,000	-	-
	(20,263)	2,064,693	(15,648)	17,110
	<u>(4,596,263)</u>	<u>671,688</u>	<u>(679,648)</u>	<u>(745,507)</u>

The reconciliation of taxation of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<u>16,158,685</u>	<u>3,879,308</u>	<u>7,936,708</u>	<u>1,733,455</u>
Income tax at Malaysian statutory tax rate of 24%	(3,878,084)	(931,034)	(1,904,810)	(416,029)
Income not subject to tax	1,722,146	752,288	2,783,414	35,293
Expenses not deductible for tax purposes	(1,695,982)	(545,182)	(1,542,604)	(379,264)
Deferred tax assets not recognised	(437,280)	(511,200)	-	-
Utilisation of unrecognised unused tax losses and unabsorbed capital allowances	397,200	-	-	-
Utilisation of unrecognised deferred tax assets	-	127,440	-	-
Effect of real property gains tax	-	(2,617)	-	(2,617)
Effect of real property gains tax rate applied on the fair value of the investment properties	(684,000)	(282,700)	-	-
	<u>(4,576,000)</u>	<u>(1,393,005)</u>	<u>(664,000)</u>	<u>(762,617)</u>
(Under)/Over provision in prior year	(20,263)	2,064,693	(15,648)	17,110
	<u>(4,596,263)</u>	<u>671,688</u>	<u>(679,648)</u>	<u>(745,507)</u>

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. As at the end of the reporting period, the Group's deferred tax position is as follows:

	GROUP	
	2023 RM	2022 RM
Deferred tax recognised:		
Property, plant and equipment	29,000	6,000
Unabsorbed capital allowances	(29,000)	(6,000)
	-	-
Deferred tax assets not recognised:		
Unabsorbed capital allowances	2,340,000	2,326,000
Unused tax losses	36,843,000	36,690,000
	<u>39,183,000</u>	<u>39,016,000</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

30. TAXATION (cont'd)

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	
	2023	2022
	RM	RM
Unabsorbed capital allowances	2,369,000	2,332,000
Unused tax losses	<u>36,843,000</u>	<u>36,690,000</u>

The unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred. However, unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses will be disregarded in the following YAs:

	2023	2022
	RM	RM
YA 2029	25,250,000	26,399,000
YA 2030	97,000	217,000
YA 2031	335,000	651,000
YA 2032	7,189,000	7,247,000
YA 2033	2,166,000	2,176,000
YA 2034	1,806,000	-
	<u>36,843,000</u>	<u>36,690,000</u>

31. EARNINGS PER SHARE

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

	GROUP	
	2023	2022
Profit attributable to owners of the Company (RM)	<u>11,738,357</u>	<u>4,321,135</u>
Weighted average number of ordinary shares	<u>291,058,216</u>	<u>267,970,485</u>
Basic earnings per share (sen)	<u>4.03</u>	<u>1.61</u>

The 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.

32. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. SEGMENT INFORMATION (cont'd)

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

Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's Chief Executive Officer (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current financial year and previous financial year.

Segment assets exclude tax assets and unallocated assets.

Segment liabilities exclude tax liabilities and unallocated liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. 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
2023									
Revenue									
External sales	654,588	5,522,124	-	44,519,000	283,305	518,343	-		51,497,360
Inter-segment sales	-	517,807	-	-	5,660	4,356,808	(4,880,275)	A	-
Total revenue	654,588	6,039,931	-	44,519,000	288,965	4,875,151	(4,880,275)		51,497,360
Result									
Segment results, representing operating profit/(loss)	387,542	8,997,739	(4,742,166)	18,498,022	1,226,796	(4,009,391)	-		20,358,542 (4,810,635)
Finance costs									610,778
Finance income									
Profit before tax									16,158,685
Taxation									(4,596,263)
Profit for the financial year									11,562,422
Assets									
Segment assets	362,801	245,135,237	6,350,426	159,872,024	39,363,098	31,419,009	-		482,502,595
Current tax assets									2,677,964
Total assets									485,180,559

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. SEGMENT INFORMATION (cont'd)

2023	Property management RM	Property investment RM	Timber related RM	Property development RM	Construction RM	Others RM	Elimination RM	Note	Total RM
Liabilities									
Segment liabilities	72,030	77,235,308	1,353,845	29,821,934	26,498,088	10,157,782	-		145,138,987
Deferred tax liabilities									3,042,119
Current tax liabilities									851,783
Total liabilities									<u>149,032,889</u>
Other information									
Additions to non-current assets	51,022	41,698,900	-	-	808,315	574,423	-	B	43,132,660
Depreciation of property, plant and equipment	4,324	11,376	-	9,225	26,317	227,251	-		278,493
Non-cash (income)/expenses other than depreciation	-	(7,027,358)	4,716,508	(134,692)	-	-	-	C	(2,445,542)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. SEGMENT INFORMATION (cont'd)

2022	Property management RM	Property investment RM	Timber related RM	Property development RM	Construction RM	Others RM	Elimination RM	Note	Total RM
Revenue									
External sales	-	4,312,890	-	2,870,112	337,737	2,016,850	-		9,537,589
Inter-segment sales	-	313,200	-	-	-	3,688,000	(4,001,200)	A	-
Total revenue	-	4,626,090	-	2,870,112	337,737	5,704,850	(4,001,200)		9,537,589
Result									
Segment results, representing operating profit/(loss)	958	3,593,394	(13,544)	2,186,327	3,366,731	(3,348,390)	-		5,785,476
Finance costs									(2,966,266)
Finance income									1,060,098
Profit before tax									3,879,308
Taxation									671,688
Profit for the financial year									4,550,996
Assets									
Segment assets	6,954,172	141,184,452	11,892,945	154,051,694	127,519,025	3,024,986	-		444,627,274
Current tax assets									3,088,525
Total assets									447,715,799

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. SEGMENT INFORMATION (cont'd)

2022	Property management RM	Property investment RM	Timber related RM	Property development RM	Construction RM	Others RM	Elimination RM	Note	Total RM
Liabilities									
Segment liabilities	3,230,231	66,291,174	1,409,018	30,348,035	28,658,584	372,457	-		130,309,499
Deferred tax liabilities									2,358,119
Current tax liabilities									<u>380,082</u>
Total liabilities									<u>133,047,700</u>
Other information									
Additions to non-current assets	-	2,072	-	-	52,270	62,548	-	B	116,890
Depreciation of property, plant and equipment	3,123	10,970	-	9,225	49,357	117,674	-		190,349
Non-cash (income)/expenses other than depreciation	(8,974)	(2,874,390)	(7,049)	(62,922)	-	995	-	C	(2,952,340)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

32. SEGMENT INFORMATION (cont'd)

Notes to segment information:

- A Inter-segment revenue is eliminated on consolidation.
- B Additions to non-current assets consist of total costs incurred during the financial year to acquire property, plant and equipment and investment properties.
- C Other material non-cash (income)/expenses other than depreciation consists of the following items:

	2023 RM	2022 RM
Capital gain on other investments	(16,616)	-
Deposit written off	-	2,050
Fair value gain on investment properties, net	(6,841,100)	(2,857,806)
Fair value gain on other investments	(315,479)	(95,434)
Gain on disposal of property, plant and equipment	(6,699)	-
Impairment loss on timber concession	4,733,124	-
Property, plant and equipment written off	1,228	995
Reversal of allowance for expected credit losses on trade receivables	-	(2,145)
	(2,445,542)	(2,952,340)

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 2 (2022: 1) major customers which contributed more than 10% of the Group's revenue from the property development segment amounted to **RM41,318,000** (2022: construction and provision of marketing services segment amounted to RM2,354,587).

33. RELATED PARTY DISCLOSURES

(i) Identify of related parties

The Company has 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. The significant related party transactions of the Company are as follows:

	COMPANY	
	2023 RM	2022 RM
Administrative fee paid/payable to a subsidiary	785,000	638,000
Human resources service fee paid/payable to a subsidiary	72,000	72,000
Information technology support service fee paid/payable to a subsidiary	72,000	72,000

NOTES TO THE FINANCIAL STATEMENTS

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33. RELATED PARTY DISCLOSURES (cont'd)

(ii) Related party transactions (cont'd)

	COMPANY	
	2023	2022
	RM	RM
Interest expense paid/payable to subsidiaries	216,914	270,809
Interest income received/receivable from subsidiaries	4,673,622	4,940,336
Corporate guarantee fee received/receivable from subsidiaries	79,135	86,500
Dividend income from subsidiaries	11,500,000	-
Net advances to subsidiaries	5,707,720	-
Net advances from subsidiaries	-	4,847,223
Payment on behalf to subsidiaries	<u>677,770</u>	<u>200,375</u>

(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 of 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors' fees	288,000	276,000	288,000	276,000
Short term employee benefits	1,538,153	1,283,806	599,619	412,724
Defined contribution plan	157,969	132,094	70,200	49,200
	<u>1,984,122</u>	<u>1,691,900</u>	<u>957,819</u>	<u>737,924</u>
Analysed as:				
- Directors	1,129,747	895,167	957,819	737,924
- Key management personnel	854,375	796,733	-	-
	<u>1,984,122</u>	<u>1,691,900</u>	<u>957,819</u>	<u>737,924</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

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

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2023			
Financial assets			
Trade receivables	1,490,729	1,490,729	-
Other receivables and refundable deposits	86,762,254	86,762,254	-
Other investments	9,997,247	-	9,997,247
Deposits with licensed banks	22,517,211	22,517,211	-
Cash and bank balances	14,052,606	14,052,606	-
	134,820,047	124,822,800	9,997,247
Financial liabilities			
Borrowings	68,345,902	68,345,902	-
Trade payables	8,118,930	8,118,930	-
Other payables and accruals excluding SST payables and rental received in advance	68,597,380	68,597,380	-
	145,062,212	145,062,212	-
2022			
Financial assets			
Trade receivables	39,337,128	39,337,128	-
Other receivables and refundable deposits	82,890,317	82,890,317	-
Other investments	14,099,477	-	14,099,477
Deposits with licensed banks	16,376,377	16,376,377	-
Cash and bank balances	6,229,243	6,229,243	-
	158,932,542	144,833,065	14,099,477
Financial liabilities			
Borrowings	75,291,619	75,291,619	-
Trade payables	11,648,820	11,648,820	-
Other payables and accruals excluding SST payables and rental received in advance	43,299,958	43,299,958	-
	130,240,397	130,240,397	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.1 Categories of financial instruments (cont'd)

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2023			
Financial assets			
Other receivables and refundable deposits	51,319,812	51,319,812	-
Amount due from subsidiaries	117,357,330	117,357,330	-
Other investments	5,565,530	-	5,565,530
Cash and bank balances	5,691,609	5,691,609	-
	<u>179,934,281</u>	<u>174,368,751</u>	<u>5,565,530</u>
Financial liabilities			
Trade payables	2,444	2,444	-
Other payables and accruals	15,745,386	15,745,386	-
Amount due to subsidiaries	7,564,333	7,564,333	-
	<u>23,312,163</u>	<u>23,312,163</u>	<u>-</u>
2022			
Financial assets			
Other receivables and refundable deposits	860	860	-
Amount due from subsidiaries	156,494,168	156,494,168	-
Other investments	249	-	249
Deposits with licensed banks	5,017,064	5,017,064	-
Cash and bank balances	3,049,947	3,049,947	-
	<u>164,562,288</u>	<u>164,562,039</u>	<u>249</u>
Financial liabilities			
Trade payables	2,444	2,444	-
Other payables and accruals	402,097	402,097	-
Amount due to subsidiaries	7,844,940	7,844,940	-
	<u>8,249,481</u>	<u>8,249,481</u>	<u>-</u>

34.2 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.3 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 other receivables, advances to subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

34.3.1 Trade Receivables

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

For property development division, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchaser's end-financier.

For property investment division, the Group subjects new customers to credit verification procedures before lease agreements are entered into with the tenants to ensure minimum credit risk exposure. Besides, the Group also mitigates the credit risk exposure by enforcing stringent debt collection procedures and collection of security deposits, which typically amounts from one month to three months rent from tenants. The Group typically gives its customers credit term of **7 days** (2022: 7 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

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

	Gross RM	Allowance for expected credit losses RM	Net RM
GROUP			
2023			
Not past due	535,781	-	535,781
Past due 1 to 30 days	207,507	-	207,507
Past due 31 to 60 days	427,726	-	427,726
Past due more than 60 days	319,715	-	319,715
	954,948	-	954,948
Impaired	7,972,540	(7,972,540)	-
	<u>9,463,269</u>	<u>(7,972,540)</u>	<u>1,490,729</u>
2022			
Not past due	7,212,339	-	7,212,339
Past due 1 to 30 days	316,598	-	316,598
Past due 31 to 60 days	95,768	-	95,768
Past due more than 60 days	31,712,423	-	31,712,423
	32,124,789	-	32,124,789
Impaired	7,972,540	(7,972,540)	-
	<u>47,309,668</u>	<u>(7,972,540)</u>	<u>39,337,128</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.3 Credit risk (cont'd)

34.3.1 Trade Receivables (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
COMPANY			
2023			
Past due more than 60 days	<u>135,124</u>	<u>(135,124)</u>	<u>-</u>
2022			
Past due more than 60 days	<u>135,124</u>	<u>(135,124)</u>	<u>-</u>

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 **RM788,946** (2022: RM32,124,789) 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 **3 customers** (2022: 1 customer) representing **94%** (2022: 93%) 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 and contract assets as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
GROUP			
2023			
Low risk	2,184,040	-	2,184,040
Individually impaired	<u>7,972,540</u>	<u>(7,972,540)</u>	<u>-</u>
	<u>10,156,580</u>	<u>(7,972,540)</u>	<u>2,184,040</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.3 Credit risk (cont'd)

34.3.1 Trade Receivables (cont'd)

Maximum exposure to credit risk (cont'd)

	Gross RM	Allowance for expected credit losses RM	Net RM
Credit risk rating			
GROUP			
2022			
Low risk	45,406,010	-	45,406,010
Individually impaired	7,972,540	(7,972,540)	-
	53,378,550	(7,972,540)	45,406,010

In managing the credit risk of the trade receivables and contract assets, 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 and contract assets at an amount equal to lifetime ECL using a simplified approach. The expected credit losses on trade receivables and contract assets are estimated based on past default experience and an analysis of the trade receivables' and contract assets' current financial position, adjusted for factors that are specific to the trade receivables and contract assets such as liquidation and bankruptcy. Forward looking information such as gross domestic product rate 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 and contract assets. 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.

34.3.2 Other receivables

The Group and the Company finance the property development project as part of the project financing and management agreement entered into between the Group and the developer. The outstanding balance financed is exposed to credit risk with the maximum exposure being represented by the carrying amount as disclosed in Note 11 to the financial statements.

As at the end of the reporting period, the Group and the Company have significant exposure of credit risk on a non-trade receivable which represent **71%** (2022: 90%) and **85%** (2022: Nil) of the total other receivables respectively.

34.3.3 Intercompany balances

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.3 Credit risk (cont'd)

34.3.3 Intercompany balances (cont'd)

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.

34.3.4 Financial guarantees

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

	COMPANY	
	2023 RM	2022 RM
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries		
- Limit	80,500,000	85,500,000
- Maximum exposure	67,133,243	75,254,062

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.

34.4 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 of the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 5 years RM	More than 5 years RM
GROUP					
2023					
<i>Non-derivative financial liabilities</i>					
Borrowings	68,345,902	90,851,714	16,562,518	31,554,257	42,734,939
Trade payables	8,118,930	8,118,930	8,118,930	-	-
Other payables and accruals excluding SST payables and rental received in advance	68,597,380	68,597,380	68,597,380	-	-
Total undiscounted financial liabilities	145,062,212	167,568,024	93,278,828	31,554,257	42,734,939

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.4 Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 5 years RM	More than 5 years RM
GROUP					
2022					
<i>Non-derivative financial liabilities</i>					
Borrowings	75,291,619	97,121,694	16,280,127	30,703,924	50,137,643
Trade payables	11,648,820	11,648,820	11,648,820	-	-
Other payables and accruals excluding SST payables and rental received in advance	43,299,958	43,299,958	43,299,958	-	-
Total undiscounted financial liabilities	<u>130,240,397</u>	<u>152,070,472</u>	<u>71,228,905</u>	<u>30,703,924</u>	<u>50,137,643</u>

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 **RM67,133,243** (2022: RM75,254,062) 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.

34.5 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments				
Financial assets	22,517,211	16,376,377	75,634,978	159,698,303
Financial liabilities	<u>736,567</u>	<u>37,557</u>	<u>7,318,333</u>	<u>7,844,940</u>
Floating rate instruments				
Financial liabilities	<u>67,609,335</u>	<u>75,254,062</u>	<u>-</u>	<u>-</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

34. FINANCIAL INSTRUMENTS (cont'd)

34.5 Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

There is no effect to the profit or loss on interests charged by the lenders in relation to the banking facilities obtained to finance the Development as the related finance costs are borne by Dwitasik, as disclosed in Note 21 to the financial statements.

An increase of 25 basis point at the end of the reporting period would have decreased the profit before tax and equity of the Group by **RM169,023** (2022: RM188,135) and **RM128,457** (2022: RM142,983) respectively and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

34.6 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are the investment in quoted unit trusts.

The Group and the Company are exposed to price risk through their investment in quoted unit trusts which are classified as financial assets at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks and diversifies the portfolio in various financial institutions.

Sensitivity analysis for market price risk

A 5% increase in the quoted prices of unit trusts at the end of the reporting period would have increased in profit before tax and equity 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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Increase in profit before tax and equity	499,862	704,974	278,277	12

35. 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

35. FAIR VALUE MEASUREMENT (cont'd)

35.1 Non-financial assets that are measured at fair value

The directors determine the recurring fair values of the Group's investment properties with reference to valuation reports by external independent professional valuers using the market comparison method.

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation techniques	Significant unobservable inputs	Range
2023		
Market comparison method	Difference in location, time factor, size, view, level, terrain, fencing and tenure	-40% to -5%
2022		
Market comparison method	Difference in location, time factor, size, view, level, terrain, fencing and tenure	-40% to -5%

Significant changes in any of the above inputs in isolation would result in significant changes in the fair value of the investment properties.

Market comparison method

Under the market comparison method, the land and buildings are valued by reference to transactions of similar land and buildings in the surrounding with adjustments made for differences in size, accessibility, frontage, site improvement, tenure if any and other relevant characteristics.

Details of the Group's and the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2023					
Investment properties	-	-	167,459,820	167,459,820	167,459,820
2022					
Investment properties	-	-	118,919,820	118,919,820	118,919,820
COMPANY					
2023					
Investment properties	-	-	770,000	770,000	770,000
2022					
Investment properties	-	-	770,000	770,000	770,000

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

35. FAIR VALUE MEASUREMENT (cont'd)

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

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.

Policy on transfer between levels

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.

35.2 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					
2023					
Financial asset					
Other investments	9,997,247	-	-	9,997,247	9,997,247
2022					
Financial asset					
Other investments	14,099,477	-	-	14,099,477	14,099,477
COMPANY					
2023					
Financial asset					
Other investments	5,565,530	-	-	5,565,530	5,565,530
2022					
Financial asset					
Other investments	249	-	-	249	249

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

35. FAIR VALUE MEASUREMENT (cont'd)

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

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.

Policy of transfer between levels

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.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and of 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Total borrowings	68,345,902	75,291,619	-	-
Less: Cash and banks balances	(14,052,606)	(6,229,243)	(5,691,609)	(3,049,947)
Deposits with licensed banks	(22,517,211)	(16,376,377)	-	(5,017,064)
Net debt/(Net cash)	31,776,085	52,685,999	(5,691,609)	(8,067,011)
Total equity	336,147,670	314,668,099	312,126,724	295,348,521
Gearing ratio	0.09	0.17	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

37. MATERIAL LITIGATIONS

(a) Seal Properties (KL) Sdn. Bhd. ("SPKL") vs. Wabina Constructions & Engineering Sdn. Bhd. ("Wabina")

On 16 December 2019, SPKL, a subsidiary of the Company has filed a Writ and Statement of Claim against 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 for hearing from 22 January 2024 to 26 January 2024 and from 19 February 2024 to 23 February 2024.

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	<u>5,363,371</u>
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	

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

37. MATERIAL LITIGATIONS (cont'd)

(a) Seal Properties (KL) Sdn. Bhd. ("SPKL") vs. Wabina Constructions & Engineering Sdn. Bhd. ("Wabina") (cont'd)

The progress claim No. 38 under the Notice of Adjudication was submitted by Wabina after the termination of the contract on 5 August 2019. There is overlapping of the progress claim No. 38 as it is included part of the Final Account Claim of RM26,401,538. In any event, SPKL has disputed the progress claim No. 38 on the basis that Wabina has no contractual basis to submit any further progress payments after the termination of the contract on 5 August 2019.

The progress claim No. 38 has been revised from RM5,180,381 to RM6,679,696 subsequently.

Pursuant to the Adjudication Decision on 18 May 2021, Wabina has subsequently filed an Originating Summons at the High Court to enforce the Adjudication Decision and in the meantime, SPKL has filed an Originating Summons at the Penang High Court to stay the Adjudication Decision, pending final determination of the proceedings before the Arbitration. The High Court had on 6 April 2022 allowed SPKL's application to stay the Adjudication Decision pending the disposal of the Arbitration. Dissatisfied with the said High Court's decision, Wabina has appealed to the Court of Appeal.

On 21 November 2022, the Court of Appeal allowed Wabina's appeal against the High Court Order to stay the Adjudication Decision dated 18 May 2021 pending the Arbitration proceedings between SPKL and Wabina with cost.

SPKL has thereafter taken the following actions:

- filed a motion for leave to appeal to the Federal Court against the Court of Appeal's decision dated 21 November 2022 which had set aside the High Court decision to stay the Adjudication Decision together with the certificate of urgency;
- filed an Originating Summons with the High Court to set aside the Adjudication Decision together with the certificate of urgency; and
- opposed the winding-up petition and also filed a Notice of Motion to stay the winding up proceeding pending the disposal of the arbitration.

On 20 April 2023, SPKL and Wabina have agreed to resolve the matter amicably and filed a consent order based on the following terms of settlement:

- (i) SPKL is to pay a sum of RM2,500,000 to Wabina's solicitors within 30 days from 20 April 2023;
- (ii) SPKL is to pay the balance sum of RM3,287,741.43 (together with interest calculated as at 20 April 2023) ("Balance Sum") into a joint stakeholder account maintained by Wabina's and SPKL's solicitors ("Joint Stakeholders") within 45 days from 20 April 2023 of which the monies are to be kept in an interest-bearing account pending the disposal of the arbitration proceeding ("the Arbitration Proceeding") between the parties;
- (iii) The Joint Stakeholders shall release the said Balance Sum together with interest to the successful party of the aforementioned Arbitration Proceeding within 14 days from the decision of the Arbitration Proceeding;
- (iv) Both Wabina and SPKL ("the Parties") will withdraw and cause the withdrawal of all proceedings, appeal, notice of motion and related action without cost within 7 days upon fulfilment of paragraphs (i) and (ii) above, save and except for the aforementioned Arbitration Proceedings between the Parties. The Parties shall not file any fresh legal action against each other in relation to the subject construction project save and except in or related to the existing Arbitration Proceeding; and
- (v) In view of the aforementioned settlement, the winding-up petition and application to appoint liquidators as well as SPKL's application to stay the winding-up petition all of which filed in the Penang High Court were all ordered to be struck off with no order as to costs.

On 8 June 2023, SPKL has executed and filed Notice of Discontinuation ("NOD") at the Penang High Court for the withdrawal of all proceedings, appeals, notice of motions and related action without cost in accordance with the Consent Order dated 20 April 2023. Subsequently, this matter has been struck off by the Penang High Court on 13 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

37. MATERIAL LITIGATIONS (cont'd)

(b) SPKL vs. Fulloop Sdn. Bhd. ("Fulloop")

Fulloop, who is Wabina's nominated sub-contractor, had obtained an adjudication decision dated 27 January 2022 against Wabina awarding the adjudicated sum of RM1,497,280 excluding costs and interest. As a result of Wabina failing to pay the said adjudicated sum, Fulloop brought the action against SPKL to claim for direct payment of the sum of RM1,898,030 from SPKL, being the overall sums allegedly due under the said adjudication decision. However, SPKL disputed Fulloop's entitlement on the basis that there were no sums due and owing to Wabina at the time of the delivery of Fulloop's notice of demand dated 17 February 2022 pursuant to Section 30 of the Construction Industry Payment and Adjudication Act 2012.

On 5 July 2023, the High Court has allowed Fulloop's application. SPKL has appealed against the High Court's decision to the Court of Appeal ("SPKL's Appeal"). The case management is now fixed on 18 October 2023.

On 14 August 2023, SPKL has brought an application against Fulloop for a Fortuna injunction to prevent the presentation of a winding up petition being made against SPKL by Fulloop based on the High Court Order dated 5 July 2023. On 27 September 2023, the High Court has granted an injunction to restrain Fulloop from presenting a winding up petition against SPKL until the disposal of SPKL's Appeal.

(c) SPKL vs. LDE Project Sdn. Bhd. ("LDE")

LDE, who is Wabina's nominated sub-contractor, had obtained an adjudication decision dated 29 December 2022 against Wabina awarding the adjudicated sum of RM1,378,803 excluding costs and interest. As a result of Wabina failing to pay the adjudicated sum, LDE brought the action against SPKL to claim for direct payment of the sum of RM1,713,627 from SPKL, being the overall sums allegedly due under the adjudication decision. However, SPKL disputed LDE's entitlement on the basis that there were no sums due and owing to Wabina at the time of the delivery of LDE's notice of demand dated 16 January 2023 pursuant to Section 30 of the Construction Industry Payment and Adjudication Act 2012.

On 8 August 2023, the High Court has allowed LDE's application. SPKL has appealed against the High Court's decision to the Court of Appeal. The case management is now fixed on 16 November 2023.

38. SIGNIFICANT EVENTS

- (i) The Company had entered into a Share Sale Agreement ("SSA") dated 1 January 2022 with Wan Chun Yeow and Chen Chieh Rong, both collectively be referred to as the shareholders of Daiman Majumas Sdn. Bhd. ("Daiman"), to acquire 100% equity interest in Daiman for a total purchase consideration of RM17,000,000 via a combination of cash payment of RM5,000,000 and the issuance of 40,677,966 new ordinary shares of the Company.

On 18 October 2022, the Company has executed a supplemental letter with the shareholders of Daiman to vary certain conditions precedent contained in the SSA to conditions subsequent, means the conditions are still required to be fulfilled even after Daiman's shares are transferred to the Company.

The said conditions subsequent have been fulfilled as of to-date.

- (ii) On 6 January 2023, Seal Lifestyle Development Sdn. Bhd. ("SLDSB"), an indirect wholly-owned subsidiary of the Company, has entered into a Joint Venture Agreement with the landowners to develop the landowners' land into mixed development at Bandar Kundang, Gombak, Selangor.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

39. EVENTS AFTER THE REPORTING PERIOD

- (i) On 20 July 2023, the Company has issued 62,287,760 new ordinary shares through a private placement to Chen Khai Voon at an issue price of RM0.26 per ordinary share for a total consideration of RM16,194,818.
- (ii) On 6 September 2023, the Company has entered into a binding term sheet with Hutan Melintang Power Plant Sdn. Bhd. ("HMPP") and Ikhtiar Gawa Sdn. Bhd. ("IGSB") to subscribe the preference shares in HMPP and IGSB as follows:
 - (a) 387,500 new redeemable convertible preference shares in HMPP for a total consideration of RM5,000,000;
 - (b) 222,234 redeemable convertible preference shares in IGSB for a total consideration of RM5,000,000; and
 - (c) 5,000,000 redeemable preference shares in IGSB for a total consideration of RM5,000,000.

The subscription of preference shares will provide an opportunity for the Company to diversify its existing businesses into biomass renewable energy segment.

The Company, HMPP and IGSB ("Parties") have agreed to enter into the Definitive Agreements within 90 days from the date of the binding term sheet or such other date as may be mutually agreed by the Parties.

GROUP PROPERTIES

AS AT 30 JUNE 2023

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 2023

Location of Property	Date of Acquisition/ (Age of Building)	Area/Unit	Tenure	Description/ Existing Use	Carrying Amount (RM)
Subsidiary Companies					
Elit Heights & Avenue Jalan Mayang Pasir 3 11950 Bayan Baru, Penang	25 July 2013 and 15 March 2017	58 units	Freehold	Commercial and residential lot	65,310,000
"Kompleks Permaisuri Q" No 6, Jalan Sri Permaisuri, Bandar Sri Permaisuri, Cheras, 56000 Kuala Lumpur	2 April 2019 and 5 August 2019	85 units	Leasehold	Commercial and office lot	101,342,000
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 27 SEPTEMBER 2023

Total number of shares issued : 379,177,662 (Excluding 445,400 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	204	3.94	7,258	*
100 to 1,000	1,609	31.05	1,413,891	0.37
1,001 to 10,000	2,467	47.60	10,813,915	2.85
10,001 to 100,000	749	14.45	24,477,628	6.46
100,001 to less than 5% of issued shares	149	2.88	178,322,693	47.03
5% and above of issued shares	4	0.08	164,142,277	43.29
TOTAL	5,182	100.00	379,177,662	100.00

Note:

* Negligible

2. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

Name	No. of shares	% of total issued capital
1. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Khai Voon	70,830,460	18.68
2. Koay Shean Loong	24,894,200	6.57
3. Kesan Anggun Sdn. Bhd.	20,000,000	5.28
4. RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Khai Voon	20,000,000	5.28
5. Poly Dynamic Motion Sdn. Bhd.	13,364,200	3.53
6. AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chen Khai Voon	13,000,000	3.43
7. Chen Khai Voon	12,503,700	3.30
8. Song Kim Lee	12,450,000	3.28
9. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Southern Corporation (Nibong Tebal) Sdn. Bhd. for Tan Lee Sim	11,700,000	3.09
10. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chiew Kuan Fah	11,504,500	3.03
11. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Resolute Accomplishment Sdn. Bhd.	5,660,300	1.49
12. CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Kim Liang	5,229,300	1.38
13. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Triumphant View Sdn. Bhd.	5,048,417	1.33
14. Maybank Securities Nominees (Tempatan) Sdn. Bhd. Chua Ma Yu	5,000,000	1.32

ANALYSIS OF SHAREHOLDINGS

AS AT 27 SEPTEMBER 2023

2. THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (cont'd)

Name	No. of shares	% of total issued capital
15. Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Kuan Fah	4,121,000	1.09
16. Resolute Accomplishment Sdn. Bhd.	4,010,800	1.06
17. Lo Boon Chai	3,880,000	1.02
18. HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chiew Yik Wai	3,170,100	0.84
19. Tng Kee Meng	3,000,000	0.79
20. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for She Siew Pheng	2,989,000	0.79
21. Delon Lee Kean Yip	2,426,400	0.64
22. Yow Yan Seong	2,349,100	0.62
23. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Siva Kumar A/L M Jeyapalan	2,300,000	0.61
24. Fong Chee Poong	2,000,000	0.53
25. Lim Kong Joo	2,000,000	0.53
26. Tan Teck Chong	1,900,500	0.50
27. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lo Boon Chai	1,900,000	0.50
28. Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kim Bian	1,770,100	0.47
29. HSBC Nominees (Asing) Sdn. Bhd. J.P. Morgan Securities PLC	1,716,300	0.45
30. Phuah Lee Pieng	1,683,600	0.44

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:

Name	Direct Interest		Indirect Interest	
	No. of shares held	% of issued capital	No. of shares held	% of issued capital
1. Chen Khai Voon	116,334,160	30.68	-	-
2. Koay Shean Loong	24,894,200	6.57	20,000,000*	5.27*
3. Kesan Anggun Sdn. Bhd.	20,000,000	5.27	-	-
4. Poly Dynamic Motion Sdn. Bhd.#	13,364,200	3.52	-	-
5. Chuah Chong Ewe#	1,075,000	0.28	13,364,200^	3.52^

* Deemed interest by virtue of his interest in Kesan Anggun Sdn. Bhd.

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

Ceased as substantial shareholders base on the Record of Depositors as at 27 September 2023. However, no notification of cessation were received by the Company from the substantial shareholders.

ANALYSIS OF SHAREHOLDINGS

AS AT 27 SEPTEMBER 2023

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	6.57	20,000,000 [*]	5.27 [*]
3. Datuk Tan Hiang Joo	29,000	0.01	-	-
4. Sim Yee Fuan	-	-	80,000 [^]	0.02 [^]
5. Yang Teramat Mulia Raja Kecil Tengah Perak Raja Dato' Seri Iskandar bin Raja Ziran @ Raja Zaid	-	-	-	-
6. Yow Yan Seong	3,008,400	0.79	1,733,000 [^]	0.46 [^]
7. Tan Seong Hooi	65,000	0.02	-	-
8. Lee Swee Keng	-	-	400,000 [^]	0.11 [^]

^{*} Deemed interest by virtue of his interest in Kesan Anggun Sdn. Bhd.

[^] 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixty-first (“61st”) Annual General Meeting (“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 Thursday, 21 December 2023 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** : Thursday, 21 December 2023
- 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** : 1. Typed text in the online meeting platform during the 61st AGM.
2. Submission of questions by logging in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> prior to the 61st AGM.

AGENDA

AS ORDINARY BUSINESS

Ordinary Resolution

1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Directors’ and Auditors’ Reports thereon. **Please refer to Note 2**
2. To approve payment of Directors’ fees of RM288,000 in respect of the financial year ended 30 June 2023. **Resolution 1
Please refer to Note 3**
3. To approve the payment of benefits payable to the Directors up to an amount of RM230,000 from 21 December 2023 until the next Annual General Meeting (“AGM”) of the Company to be held in year 2024. **Resolution 2
Please refer to Note 4**
4. To re-elect the following Directors retiring under the provision of Article 101(a) of the Company’s Constitution and who being eligible, have offered themselves for re- election:-
 - (i) Koay Shean Loong **Resolution 3**
 - (ii) Yow Yan Seong **Resolution 4
Please refer to Note 5**
5. To re-elect Lee Swee Kheng retiring under the provision of Article 99 of the Company’s Constitution and who being eligible has offered herself for re-election. **Resolution 5
Please refer to Note 5**
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 6
Please refer to Note 6**

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 and Waiver of Pre-emptive Rights**

“That subject to the Companies Act 2016 (“Act”), 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 Act, 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 AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

Resolution 7
Please refer to Note 7

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.

That pursuant to Section 85(1) of the Act to be read together with Article 60 of the Constitution of the Company, it may be construed to mean that all new Shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing Shares or securities to which they are entitled (“Pre-emptive Rights”) and accordingly, should this resolution for the allotment and issuance of shares be passed by the Shareholders, this resolution shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights in respect of any issuance of new shares pursuant to Sections 75 and 76 of the Act, which will result in a dilution to the Shareholders’ shareholding in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.”

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

“That subject to Companies Act 2016 (“Act”) provisions of the Company’s Constitution, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be 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:

Resolution 8
Please refer to Note 8

- (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

NOTICE OF ANNUAL GENERAL MEETING

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

Resolution 8

- (iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-
- (a) the shares so purchased may be cancelled; and/or
 - (b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - (c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

- (i) the conclusion of the next 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 Act, 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 Act and the Company's Constitution.

By Order of the Board

Yeow Sze Min (MAICSA 7065735) (SSM PC No. 201908003120)
Chin Lee Phing (MAICSA 7057836) (SSM PC No. 202008000049)
Joint Company Secretaries

Penang, 31 October 2023

NOTES:

1. Proxy

- 1.1 The 61st 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 61st AGM in order to register, participate and vote remotely via the Remote Participation and Electronic Voting facilities.
- 1.2 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 7 April 2022, 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.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Proxy (cont'd)

- 1.3 For the purpose of determining who shall be entitled to participate and vote at the 61st AGM, only members whose names appear on the Record of Depositors as at 14 December 2023 shall be eligible to participate and vote at the 61st AGM.
- 1.4 Every member is entitled to appoint not more than two (2) persons as his proxy in accordance with the Company's Constitution. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- 1.5 Every Member including authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, and an Exempt Authorised Nominee which 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 61st 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 61st 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 61st AGM or by submitting the questions by logging in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> prior to the 61st AGM.
- 1.6 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.
- 1.7 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.
- 1.8 Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the Notice of the 61st AGM will be put to vote on a poll.
- 1.9 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 61st AGM or any adjournments thereof:

(a) In Hardcopy Form

The Form of Proxy 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) 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 61st AGM; or
- (ii) The Form of Proxy shall be electronically lodged to bsr.helpdesk@boardroomlimited.com or fax to (+603) 78904670.

- 1.10 The last date and time for lodging the Form of Proxy is Tuesday, 19 December 2023, at 10:30 a.m.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

2. Item 1 of the Agenda

Audited Financial Statements for the financial year ended 30 June 2023

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

3. Ordinary Resolution 1

Payment of Directors' fees for the financial year ended 30 June 2023

The proposed Directors' fees of RM288,000 for the financial year ended 30 June 2023, is to be paid to all Non-Executive Directors of the Company for the financial year ended 30 June 2023. The payment of Directors' fees to all Non-Executive Directors in respect of financial year ended 30 June 2023 will only be made if the proposed Resolution 1 has been passed at the 61st AGM pursuant to the Company's Constitution and Section 230(1)(b) of the Act.

4. Ordinary Resolution 2

Payment of benefits payable to the Directors

Section 230(1) of the Act 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 Act 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 21 December 2023 up to the conclusion of the next AGM. The benefits comprise Directors and Officers Liability Insurance, benefits in kind, bonus, meeting allowance and others for Directors.

5. Ordinary Resolutions 3, 4 and 5

Re-election of Directors

Article 101(a) of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office by rotation and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Article 99 of the Company's Constitution states that any Director so appointed shall hold office only until the conclusion of the next following AGM and shall then be eligible for re-election.

Mr. Koay Shean Loong and Mr. Yow Yan Seong who retire in accordance with Article 101(a) of the Company's Constitution have offered themselves for re-election.

Mdm. Lee Swee Kheng ("Mdm. Lee") who was appointed as an Independent Non-Executive Director of the Company on 17 October 2023 is subject to retirement in accordance with Article 99 of the Company's Constitution and being eligible, has offered herself for re-election.

In determining the eligibility of the Directors due for retirement to stand for re-election at the forthcoming 61st AGM, the Nominating Committee ("NC") has assessed the retiring Directors and was satisfied with the assessments.

The Board approved the NC's recommendation for the re-election of the retiring Directors pursuant to Articles 101(a) and 99 of the Company's Constitution at the forthcoming 61st AGM of the Company. During a Board Meeting held, all the retiring Directors have abstained from deliberation as well as decision on their own eligibility to stand for re-election at the forthcoming 61st AGM.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

6. Ordinary Resolution 6 Re-appointment of Auditors

The Audit Committee (“AC”) have reviewed the performance and considered the re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company and collectively agreed that Grant Thornton Malaysia PLT has met the relevant criteria as prescribed by Paragraph 15.21 of the MMLR among others.

The Board approved the AC’s recommendation for Grant Thornton Malaysia PLT to be re-appointed as Auditors of the Company at the forthcoming 61st AGM.

7. Ordinary Resolution 7 Authority to allot and issue shares and Waiver of Pre-emptive Rights

The Company wishes to renew the general mandate on the authority to issue shares pursuant to the Act at the 61st AGM of the Company. The Company had been granted a general mandate by its shareholders at the 60th AGM of the Company held on 22 December 2022 whereby the Board has been authorised to issue and allot new shares not exceeding ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue (“Previous Mandate”).

The proposed Ordinary Resolution 7, if passed, will empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes and to such persons as the Directors consider would be in the best interest of the Company.

The Previous Mandate granted by the shareholders had been utilised for a Private Placement exercise where on 13 March 2023, the Company has allotted 28,312,618 new ordinary shares (“Placement Shares”) at an issue price of RM0.25 per share (“Private Placement”). The Private Placement was completed following the listing and quotation of the Placement Shares on the Main Market of Bursa Securities on 15 March 2023. Further details on the Private Placement and utilisation of the proceeds raised is available under Additional Compliance Information page of this Annual Report.

The Waiver of Pre-emptive Rights will allow the Directors of the Company to issue new Ordinary Shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

8. Ordinary Resolution 8 Proposed renewal of share buy back authority

The proposed Resolution 8 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 31 October 2023.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF 61ST AGM PURSUANT TO PARAGRAPH 8.27(2) OF THE MMLR

Renewal of General mandate for issuance of securities in accordance with Paragraph 6.03(3) of the MMLR

Details of the renewal of the General Mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Note 7 of the Notice of the 61st AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 61st 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 processing and administration by the Company (or its agents) of proxies and representatives appointed for the 61st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 61st 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 61ST ANNUAL GENERAL MEETING (“61st AGM”)

- Day, Date and Time** : Thursday, 21 December 2023 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 61st AGM.
(ii) Shareholders may submit questions by logging in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> prior to the 61st AGM.

FULLY VIRTUAL MEETING

The Company will continue to leverage on technology to facilitate communication and engagement with shareholders by conducting the 61st AGM on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting (“RPEV”) facilities. This is also in line with Practice 13.3 of the Malaysian Code on Corporate Governance 2021 where the Board of Directors should leverage on technology to facilitate electronic voting and encourage greater remote participation from shareholders.

Kindly ensure that you are connected to the internet at all times to participate and/or vote at the 61st AGM. Therefore, it is your responsibility to ensure that connectivity for the duration of the 61st 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 Shareholder(s)/ Proxy(ies)/Corporate Representative(s) (collectively, the “Participants”).

VOTING PROCEDURE

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 61st 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.

ONLINE REGISTRATION PROCEDURES

PROCEDURE		ACTION
BEFORE THE DAY OF THE 61ST AGM		
Step 1	Register Online with Boardroom Smart Investor Portal (“BSIP”) (For first time registration only)	<p>[Note: If you have already signed up with BSIP, you are not required to register. You may proceed to Step 2.]</p> <ol style="list-style-type: none">Go to BSIP’s website at https://investor.boardroomlimited.com.Click “Register” to sign up for a BSIP account.Please select the correct account type i.e. sign up as “Shareholder” or “Corporate Holder”.Complete the registration with all the required information. Upload a softcopy of your or your representative’s MyKad/Identification Card (front and back) or Passport.For Corporate Holder, kindly upload the authorisation letter as well. Click “Sign Up”.You will receive an e-mail from BSIP Online for e-mail address verification. Click on “Verify E-mail Address” from the e-mail received to proceed with the registration.Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. Click on “Request OTP Code” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click “Enter” to complete the process.

ADMINISTRATIVE GUIDE

ONLINE REGISTRATION PROCEDURES

PROCEDURE		ACTION
BEFORE THE DAY OF THE 61ST AGM		
		<ul style="list-style-type: none"> h. Once your email address is verified, you will be re-directed to BSIP Online for verification of mobile number. Click on “Request OTP Code” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click “Enter” to complete the process. i. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.
Step 2	Submit request for remote participation (User ID and Password)	<p>Registration for remote access will be opened on Monday, 23 October 2023. Please note that the closing time to submit your request is at 10:30 a.m. on Tuesday, 19 December 2023 (48 hours before the commencement of the 61st AGM).</p> <p>Individual Members</p> <ul style="list-style-type: none"> a. Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Go to “SEAL INCORPORATED BERHAD 61ST ANNUAL GENERAL MEETING” from the list of Meeting Event(s) and click “Enter”. c. Go to Virtual and click on “Register for RPEV”. d. Read and agree to the General Terms and Conditions. e. Enter your Central Depository System (“CDS”) Account Number and click “Submit” to complete your request. f. You will receive a notification that your RPEV registration has been received and is being verified. g. Upon system verification against the 61st AGM’s Record of Depositors (“ROD”) as at 14 December 2023, you will receive an email from Boardroom Share Registrars Sdn Bhd (“Boardroom”) either approving or rejecting your registration for the remote participation. h. If approved, RPEV credential will be provided in your email. i. Please note that one (1) user ID and password can only log in to one (1) device at a time. j. If rejected, a rejection note will be provided in your email. <p>Note: Closing date and time for submission of request is at 10:30 a.m. on Tuesday, 19 December 2023 (48 hours before the 61st AGM).</p>

ADMINISTRATIVE GUIDE

ONLINE REGISTRATION PROCEDURES

PROCEDURE	ACTION
BEFORE THE DAY OF THE 61ST AGM	<p>Appointment of Proxy</p> <ol style="list-style-type: none"> Go to BSIP's website at https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select and click on "Meeting Event(s)". Go to "SEAL INCORPORATED BERHAD 61ST ANNUAL GENERAL MEETING" and click "Enter". Go to PROXY and click on "Submit eProxy Form". Read and agree to the Terms and Conditions. Enter your CDS Account Number and insert the number of securities. Appoint the Chairman of the meeting or your proxy(ies) and enter the required particulars for your proxy(ies). Indicate your voting instructions - FOR or AGAINST, otherwise your proxy(ies) will decide your vote during the meeting. Review and confirm your proxy(ies) appointment. Click "Submit". Download or print the eProxy Form as acknowledgement. <p>Note: Closing date and time for submission of the Form of Proxy is at 10:30 a.m. on Tuesday, 19 December 2023 (48 hours before the 61st AGM).</p> <p>Corporate Shareholders (via email)</p> <ol style="list-style-type: none"> Write in to bsr.helpdesk@boardroomlimited.com by providing the name of the Member, CDS Account Number, accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request. Please provide a copy of the Corporate Representative's or Proxy holder's MyKad/Identification Card (front and back) or Passport as well as his/her email address. <p>Authorised Nominee and Exempt Authorised Nominee (via BSIP)</p> <ol style="list-style-type: none"> Log in to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. Select "SEAL INCORPORATED BERHAD 61ST ANNUAL GENERAL MEETING" from the list of Corporate Meetings and click "Enter". Click on "Submit eProxy Form". Proceed to download the file format for "Submission of Proxy Form" from BSIP. Prepare the file for the appointment of proxies by inserting the required data. Proceed to upload the duly completed proxy appointment file. Review and confirm your proxy appointment and click "Submit". Download or print the eProxy form as acknowledgement.

ADMINISTRATIVE GUIDE

ONLINE REGISTRATION PROCEDURES

PROCEDURE		ACTION
BEFORE THE DAY OF THE 61ST AGM		
ON THE DAY OF THE 61ST AGM		
Step 3	Log in to Meeting Platform	<ol style="list-style-type: none"> The Meeting Platform will be open for log in one (1) hour before the commencement of the 61st AGM. The Meeting Platform can be accessed via one of the following: <ul style="list-style-type: none"> ➤ Scan the QR Code provided in the user log in guide. ➤ Navigate to the website at https://meeting.boardroomlimited.my. Enter the Meeting ID No. and sign in with the user ID and password provided to you via the email notification from Step 2 above.
	Participate	<p>[Note: Please follow the User Guide provided in the confirmation email from Step 2 above to view the live webcast, submit questions and vote.]</p> <ol style="list-style-type: none"> If you would like to view the live webcast, select the broadcast icon.  If you would like to ask a question during the 61st AGM, select the messaging icon. Type your message within the chat box and click the send button once complete.
	Voting	<ol style="list-style-type: none"> Once the meeting is open for voting, the polling icon  will appear with the resolutions and your voting choices. To vote, simply select your voting direction from the options provided. A confirmation message will appear to show your vote has been received. To change your vote, simply select another voting direction. If you wish to cancel your vote, please click “Cancel”.
	End of Participation	<ol style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 61st AGM, the live webcast will end. You can now log out from the Meeting Platform.

RECORD OF DEPOSITORS FOR THE 61ST AGM

For the purpose of determining whether a member is entitled to participate and vote at the 61st AGM, the Company shall be requesting the Record of Depositors as at 14 December 2023. Only shareholders whose names appear in the Record of Depositors as at 14 December 2023 shall be entitled to participate and vote at the 61st AGM or appoint proxy/proxies on his/her behalf.

FORM OF PROXY

Please ensure that the hard copy of the original Form of Proxy 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 of the Online Registration Procedures 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.

ADMINISTRATIVE GUIDE

REVOCAION OF PROXY

If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to participate in the 61st AGM by yourself, please write to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before the meeting. On revocation, your proxy(ies) will not be allowed to participate in the Meeting. In such an 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 61st AGM of the Company.

ENQUIRY

If you have any general enquiry prior to the 61st AGM, please contact the Share Registrar during office hours (Monday to Friday) between 8:30 a.m. to 5:30 p.m. except on public holidays. The contact details of the Share Registrar are as follows:

Boardroom Share Registrars Sdn Bhd

General Line : 603-7890 4700 (Helpdesk)
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.

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 Sixty-first Annual General Meeting ("61st AGM") of Seal Incorporated Berhad ("Seal" or the "Company") to be conducted on a fully virtual basis via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Thursday, 21 December 2023 at 10:30 a.m. or 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 Mr. Koay Shean Loong as a Director of the Company.		
4.	To re-elect Mr. Yow Yan Seong as a Director of the Company.		
5.	To re-elect Mdm. Lee Swee Kheng as a Director of the Company.		
6.	To re-appoint Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
	Special Business	FOR	AGAINST
7.	Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016 and Waiver of Pre-emptive Rights.		
8.	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 the Resolutions, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Please note that the short descriptions 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 the 61st 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 61st 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 61st 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 7 April 2022, 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 participate and vote at the 61st AGM, only members whose names appear on the Record of Depositors as at 14 December 2023 shall be eligible to participate and vote at the 61st AGM.
4. Every member is entitled to appoint not more than two (2) persons as his proxy in accordance with the Company's Constitution. Where a member appoints two (2) proxies, 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, and an Exempt Authorised Nominee which 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 61st 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 61st 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 61st AGM or by submitting the questions by logging in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> prior to the 61st 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.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in the Notice of the 61st AGM will be put to vote on a poll.

Please fold across the line and close

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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9. 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 61st AGM or any adjournments thereof:
 - (a) **In Hardcopy Form**
The Form of Proxy 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) **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 61st AGM; or
 - (ii) The Form of Proxy shall be electronically lodged to bsr.helpdesk@boardroomlimited.com or fax to (+603) 78904670.
10. The last date and time for lodging the Form of Proxy is Tuesday, 19 December 2023, at 10:30 a.m.
11. 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 61st 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 processing and administration by the Company (or its agents) of proxies and representatives appointed for the 61st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 61st 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
1-3A-18, Jalan Mayang Pasir 3
11950 Bayan Baru
Penang, Malaysia.

 : 604 618 3333  : 604 637 0333

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