

SEACERA

SEACERA GROUP BERHAD
Registration No. 198701005080 (163751-H)

Annual
Report

2022

37th Annual General Meeting

Broadcast Venue :

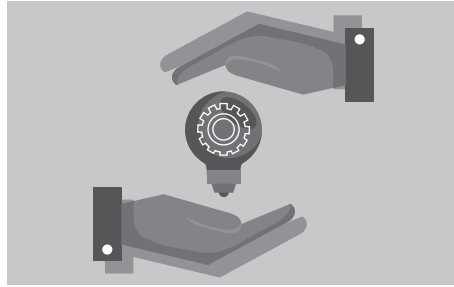
Level 4, Menara Lien Hoe,
No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya, Selangor.

Date :

Wednesday, 23 November 2022

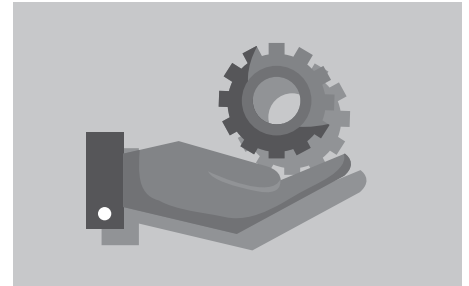
Time :

10:00 a.m.



Vision

To be a preferred organisation, well recognised in the business providing applicable solutions and values to our customers to enhance customer satisfaction.



Mission

To improve our products' quality and services by meeting our customers needs whilst striving to achieve greater company profitability and industry recognition.

Values

1. **Customers** : Our commitment is to meet customers' requirements in terms of our product quality and services.
2. **People** : Our commitment is to maximise the potential workforce by providing conducive working environment.
3. **Quality** : Our commitment is to provide products and services which are in compliance to the international standards.
4. **Productivity** : Our commitment is to optimise available resources within the company.
5. **Competitiveness** : Our commitment is to be acknowledged as a renowned manufacturer and supplier within our industry.
6. **Legal and Statutory** : Our commitment is to comply with relevant legal and statutory requirements.
7. **Risk and Management** : Our commitment is to manage risks effectively to adhere to our Quality Management System.



COMPANY

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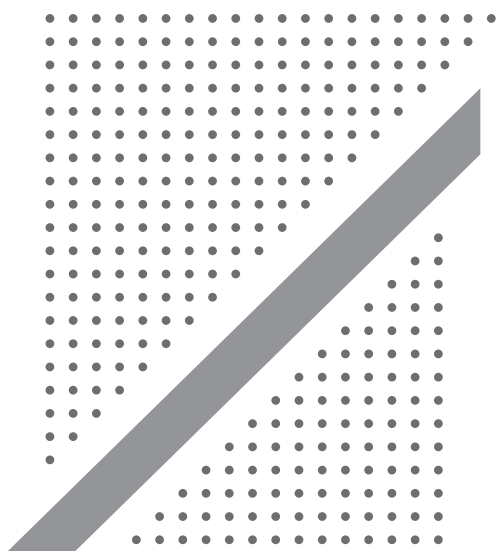
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PROXY FORM



ADMINISTRATIVE GUIDE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Abdul Azim Bin Mohd Zabidi

Independent Non-Executive Chairman
(Appointed on 2 September 2021)

Nicholas Wong Yew Khid

Independent Non-Executive Director

Chua Yeong Lin

Independent Non-Executive Director

Shi'aratul Akmar Binti Sahari

Independent Non-Executive Director
(Appointed on 19 July 2021)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chua Yeong Lin (Chairman)
Nicholas Wong Yew Khid (Member)
Shi'aratul Akmar Binti Sahari (Member)

NOMINATION AND REMUNERATION COMMITTEE

Nicholas Wong Yew Khid (Chairman)
Chua Yeong Lin (Member)
Shi'aratul Akmar Binti Sahari (Member)

COMPANY SECRETARY

Tan Kok Siong
(LS0009932 & SSM PC No. 202008001592)

REGISTERED OFFICE

A1-2-2, Solaris Dutamas,
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel: 03 -64133271

PRINCIPAL PLACE OF BUSINESS

DF2-11-01 (Unit 1), Level 11, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor
Tel: 03 -76887517
Fax: 03 -76887518

SHARE REGISTRAR

Workshire Share Registration Sdn. Bhd.

A1-2-2, Solaris Dutamas,
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
Wilayah Persekutuan
Tel: 03 -64133271

AUDITORS

Messrs. Al Jafree Salihin Kuzaimi PLT

(201506002872 (LLP0006652-LCA) & AF 1522)
555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan
Tel: 03-61859970
Fax: 03-61842524
Website: www.salihin.com.my

INTERNAL AUDITOR

MAC & Associates PLT

No: 135-2, Bangunan Indah UPC
Batu 3 1/2, Jalan Klang Lama
58100 Kuala Lumpur.
Tel: 603-7982 7110
Website: www.macinternalaudit.com

PRINCIPAL BANKERS

Alliance Islamic Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market – Industrial Products & Services
(Syariah Approved Shares)

Stock Name : SEACERA
Stock Code : 7073

WEBSITE

<http://www.seacera.com.my/>

CORPORATE STRUCTURE

SEACERA

GROUP BERHAD

[Registration No. 198701005080 (163751-H)]

TRADING DIVISION

Trading and marketing of all kinds of tiles, building material products, personal protective equipment (PPE), mart products, food & beverages.

BUILDING MATERIALS

Seacera Group Berhad [Registration No: 198701005080 (163751-H)]

MART

SeaceraMart Sdn. Bhd. [Registration No: 200601014526 (734278-P)]

100%

PPE

Seacera Care Sdn. Bhd. [Registration No: 200001006535 (509140-X)]

100%

TILES

Seacera Porcelain Sdn. Bhd. [Registration No: 198901005313 (182618-A)]

100%

DORMANT

Seacera Hias Sdn. Bhd. [Registration No: 200901037805 (880937-A)]

100%

PROPERTY /CONSTRUCTION DIVISION

- Owns several plots of land held for development.
- Involved in property development and construction activities.

PROPERTY

Seacera Properties Sdn. Bhd. [Registration No: 199601030737 (403089 – X)]

100%

Duta Nilai Holdings Sdn. Bhd. [Registration No: 198901007607 (184910-H)]
(79.17% owned by Seacera Group Berhad & 20.83% owned by Seacera Properties Sdn. Bhd.)

Duta Skyline Sdn. Bhd. [Registration No: 199501008954 (338152-U)]
(92.24% owned by Seacera Group Berhad and 7.76% owned by Duta Nilai Holdings Sdn. Bhd.)

PROPERTY AND CONSTRUCTION

Seacera Builders Sdn. Bhd. [Registration No: 200601011889 (731639-M)]

100%

DIRECTORS' PROFILE



DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Malaysian, Aged 63, Male
Independent Non-Executive Chairman

Dato' Seri Abdul Azim bin Mohd Zabidi ("Dato' Seri Abdul Azim") was appointed as Independent Non-Executive Chairman of Seacera Group Berhad on 2 September 2021. He has a Master of Arts in Business Law from London Metropolitan University, United Kingdom. He also has a professional qualification in Chartered Institute of Secretaries and Administrators. He was a Chairman of Bank Simpanan Nasional (BSN), Malaysia's National Savings Bank. He also active in the work undertaken by the Brussels based World Savings Banks Institute (WSBI). In 2000, he was appointed as a President (Asia Pacific) for WSBI and in 2003, he was elevated to its Board of Directors. He was elected as Vice President and Treasurer of WSBI from September 2006 until April 2009.

A long association with the unit trusts/mutual funds and fund management industry culminated in Dato' Seri Abdul Azim's election as President of the Federation of Malaysian Unit Trust Managers, a post he held from 1998 to 2003. During this period, he was appointed as a Member of the Steering Committee of the International Investment Funds Association (IIFA), Montreal, Canada, a post he held until 2008. From 2007 to 2008, Dato' Seri Abdul Azim was elected as a member of the Board of Directors and Chairman of the Audit Committee of IIFA.

He was a member of the National Economic Consultative Council II, where he served on the Islamic Banking and Finance Committee. He was also selected by the Securities Commission to be a member of its Capital Market Advisory Council. Bursa Malaysia Securities Berhad has elected him to be a member of its Index Committee and Deputy Chairman of its Board of Advisors for the Malaysian Central Depository.

Aside from his professional career, Dato' Seri Abdul Azim has been invited to speak at numerous international on a range of subjects. Notable were speaking engagements at the School of Advanced International Studies, Johns Hopkins University, Washington D.C., World Economic Forum, Davos, where he was one of the founder members of the New Asian Leaders Network, Singapore Institute of International Affairs, and the Securities and Exchange Commission of Thailand. In addition, he has been sought out by reporters from sources as diverse as the BBC and the Asian Wall Street Journal, to the Australian Broadcasting Corporation and the New Straits Times, for his views on current, political and economic issues.

His long involvement in sports led to his appointment as Chairman of the National Sports Institute in May 2017 until July 2018 and subsequent to that, appointed Malaysia's Chef-de-Mission to the Asian Games 2018 in Jakarta, Indonesia. On 5 May, 2018, Dato' Seri Abdul Azim was elected Deputy President of the Olympic Council of Malaysia. Currently, he holds directorship in several public listed companies which are XOX Berhad, Fintec Global Berhad and LYC Healthcare Berhad.

DIRECTORS' PROFILE



CHUA YEONG LIN
Malaysian, Aged 44, Male
Independent Non-Executive Director

Chairman of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee

Mr. Chua Yeong Lin was appointed to the Board on 16 January 2020. He holds a Degree in Accountancy, University Utara of Malaysia.

Currently, he is the owner of SYL Business Solution, an accounting firm registered with Companies Commission of Malaysia and also the owner of CYL & Associates, a non-audit firm registered under Malaysian Institute of Accountant. Currently, he holds directorship in Iqzan Holding Berhad, China Ouhua Winery Holdings Limited and Malaysia Pacific Corporation Berhad.

DIRECTORS' PROFILE



NICHOLAS WONG YEW KHID

Malaysian, Aged 41, Male
Independent Non-Executive Director

Chairman of Nomination and Remuneration Committee
Member of Audit and Risk Management Committee

Nicholas Wong Yew Khid was appointed to the Board on 29 November 2019. He holds a Bachelor of Science in Engineering.

He has extensive entrepreneurial experience in a variety of industries, mainly in the automotive, sports and entertainment industries. He began his career at FMCG Company before progressing to incorporate his own business. He started his own automotive business in 2004, which supplies interior car parts and window films to well-known manufacturers and car tire distributors.

Later in 2007, he ventured into the Paintball Sport industry where he formed numerous companies that handled all pillars of the industry, from B2C equipment retailing to B2B distribution and later the events company that organized local and regional events with the Paintball World Cup Asia being the pinnacle event for the Asia region.

Mr. Nicholas was also involved in a few other businesses along the road, such as establishing a franchise company that distributes convenience products from United States in malls. He also worked as the Marketing Director for a company that manages entertainment and food and beverage outlets.

Since 2018, he has been appointed as the Director of public companies to provide management strategy, day to day operational oversight, capital raising and business development planning. Currently, he holds directorship in DGB Asia Berhad as Executive Director and in XOX Technology Berhad ("formerly known as M3 Technology (Asia) Berhad").

DIRECTORS' PROFILE



SHI'ARATUL AKMAR BINTI SAHARI

Malaysian, Aged 57, Female
Independent Non-Executive Director

Member of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee

Puan Shi'aratul Akmar Binti Sahari was appointed to the Board on 19 July 2021. She holds a Bachelor in Accounting (Honors), University Utara Malaysia. She also has a professional qualification as an Accountant and a member of Malaysian Institute of Accountants.

She is managing her own business in garments retailing. From 2018 to 2020 she was the Chief Executive Officer ("CEO") at Sky Xchange Sdn Bhd, prior to assuming the CEO position, she was a General Manager.

She started her career in 1990 to 1996 as an Auditor at PricewaterhouseCoopers. In 1996 to 1998, she was an Accountant at Malaysia Mining Corporation Berhad, in 1998 to 2004 she was a Finance Manager at Malaysia Mining Corporation Berhad and in 2004 to 2006 she was a Freelance Consultant.

After that, in 2006 to 2007 she worked as a Manager for Group Accounts at Proton Holdings Berhad. In 2007 to 2008 she was appointed as a Senior Manager, Corporate Finance at Naza Motor Trading Sdn Bhd. She was also a Group Financial Controller at Pesaka Astana (M) Sdn Bhd in 2008 until 2010 and also a Financial Controller at Habib Jewels Sdn Bhd from 2010 to 2012. In 2014 to 2017 was a Senior Tax Consultant, Taxation Services at Mustapharaj Sdn. Bhd.

She does not hold any directorship in any public companies and public listed companies.

Notes:

None of the Directors have:

- (a) any family relationship with any Director and/or major shareholder of the Company;*
- (b) any conflict of interest with the Company; and/or*
- (c) any conviction for offences (other than traffic offences) within the past 5 years or any public sanction or penalty imposed by the relevant regulatory bodies during the Financial Year Ended 30 June 2022. Save for Dato' Seri Abdul Azim bin Mohd Zabidi and Mr. Chua Yeong Lin were publicly reprimanded by Bursa Malaysia Securities Berhad.*

Dato' Seri Abdul Azim bin Mohd Zabidi was publicly reprimanded and fined of RM75,000 by Bursa Malaysia Securities Berhad as a Director in Anzo Holdings Berhad on 14 June 2022 for breach of paragraph 16.13(b) of the Main Market Listing Requirements of Bursa Securities (9.03 Breach, RPT Transaction Breach & Diversification Breach.

Mr. Chua Yeong Lin as a Director in Iqzan Holding Berhad was publicly reprimanded and fined RM150,000 for breach of paragraph 16.13(b) the Main Market Listing Requirements of Bursa Securities (FA Breach and Directive Breach) on 17 February 2022.

PROFILE OF KEY SENIOR MANAGEMENT

ZULKARNIN BIN ARIFFIN

Position	: Group Chief Executive Officer (CEO)
Nationality	: Malaysian
Gender / Age	: Male / 49
Qualifications	: Bachelor of Accounting (Hons) degree from International Islamic University, Malaysia (IIUM). He is also a member of Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountant (MIA).
Working Experience	: He joined KPMG in 1997 upon graduation and left in 2000. Subsequently, he served as an Assistant Manager, Finance in Malaysia Mining Corporation Berhad from 2000 to 2003. Prior to joining Seacera Group Berhad in September 2005, he was with Furqan Business Organisation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad (Property Development) as Senior Manager, Group Finance.
Directorship in public and listed issuers	: LKL International Berhad.

YAP KOK KEONG

Position	: Chief Financial Officer (CFO)
Nationality	: Malaysian
Gender / Age	: Male / 32
Qualifications	: BA (Hons) Accounting and Finance from Taylor's University. He is also a member of Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountant (MIA).
Working Experience	: Yap Kok Keong has more than 10 years of experience in the field of Audit & Assurance. Prior to joining Seacera, he was involved in audit services for clients covering a wide spectrum of industries, from Multinational Corporations (MNCs) to Public Listed Companies (PLCs). He also has experience in Initial Public Offering (IPO) and other corporate exercises.

MOHD FAIZAL BIN MD AMIN

Position	: Technical, Sales & Marketing Manager
Nationality	: Malaysian
Gender / Age	: Male / 42
Qualifications	: Degree in Ceramics Design, University of Technology Mara (UiTM).
Working Experience	: He joined Johnson Suisse in the Research & Development Department (R&D) from 2002 until 2004. After that, he joined Seacera in 2004 starting as a Junior R&D Executive. In 2006, he was promoted as Quality Assurance (QA) and R&D Executive. He also has experience as a Technical Manager and Sales Manager at Seacera and he has almost 20 years of working experiences in tiles industry.

PROFILE OF KEY SENIOR MANAGEMENT

MOHD AMIR BIN ABDULLAH

Position	:	Group Operation Manager
Nationality	:	Malaysian
Gender / Age	:	Male / 43
Qualifications	:	Bachelor of Accounting, University Utara Malaysia (UUM)
Working Experience	:	He joined Halim & Lee, an audit firm as an audit assistant in 2001 upon graduation and left as Senior Auditor in 2006. Subsequently, he joined Samlong Chemicals Sdn Bhd (“formerly known as Seacera Polyfilms Sdn. Bhd.”) as Senior Account Executive in April 2006 and he was promoted to Assistant Manager Accounts in September 2006. He joined Seacera Group Berhad as Finance Manager in December 2007 and currently been appointed as a Group Operation Manager.

LIM BENG HOOI

Position	:	Head of Sales & Marketing for Tiles Division
Nationality	:	Malaysian
Gender / Age	:	Male / 38
Working Experience	:	Started his career at Buimaco Sdn. Bhd., a ceramic tiles supplier as Showroom Manager in 2002. Afterwards, in 2006 he joined Hume Marketing Co Sdn Bhd (“formerly known as Hong Leong Marketing Co Berhad”) as Senior Sales Executive until 2011. Currently, he was appointed as Head of Sales and Marketing of Seacera Porcelain Sdn. Bhd. since July 2022.

LEE MENG MENG

Position	:	Head of Procurement for Tiles Division
Nationality	:	Malaysian
Gender / Age	:	Male / 39
Working Experience	:	Began his career at a tiles industry company, Sixny Ceramics Sdn. Bhd. as Sales Executive in 2006. Subsequently, pursuing as Sales Manager at Steady Marketing Sdn. Bhd. in 2009. He joined Seacera Porcelain Sdn. Bhd. on May 2022 as Head of Procurement until now.

PROFILE OF KEY SENIOR MANAGEMENT

ROZANA BINTI ABDUL RAZAK

Position	: Human Resources & Admin Manager
Nationality	: Malaysian
Gender / Age	: Female / 36
Qualifications	: Bachelor of Business Administration (Hons) Human Resource Management from Universiti Teknologi MARA, Shah Alam
Working Experience	: Upon completion of her graduation, she was offered a position as Human Resource Executive in Pecca Leather Berhad. She had contributed her 5 years of service with the same company involving in several spectrum of Human Resource functions. Alongside, she had accepted a more challenging HR roles at Sedunia Travel Services Sdn. Bhd. as the Human Resource & Administration Manager. She is currently the Human Resource & Administration Manager of Seacera Group Berhad since her commencement in 2021.

NORBATIAH BINTI ZULKARNAI

Position	: Corporate Finance & Business Development Manager
Nationality	: Malaysian
Gender / Age	: Female / 36
Qualifications	: Bachelor of Accountancy (Hons.) from Universiti Teknologi MARA, Shah Alam, Selangor.
Working Experience	: After graduated, she had joined Touch 'n Go Sdn Bhd as Sales Executive in 2010. Prior to joining the Company, she had worked with Companies Commission of Malaysia and several other companies in 2011 to 2012. In 2013, she started working with the Company as Accounts Executive and was promoted as Assistant Manager of Corporate Finance & Business Development Manager in 2019. Currently, she is a Manager of Corporate Finance & Business Development.

NUR 'AFIAH HAMZAH

Position	: Senior Legal Executive
Nationality	: Malaysian
Gender / Age	: Female / 35
Qualifications	: Bachelor of Laws (Hons), LL.B and LL.B (Shariah) (Hons), from International Islamic University, Malaysia (IIUM).
Working Experience	: She started her profession as a solicitor at several legal firms and her job scope was mainly focusing in banking and civil litigation. She joined the Company as a Legal Executive in January 2019 and later she was promoted to Senior Legal Executive in October 2021 until now.

PROFILE OF KEY SENIOR MANAGEMENT

CHAN KAR HAO

Position	:	Project Manager
Nationality	:	Malaysian
Gender / Age	:	Male / 31
Qualifications	:	Master of Business Administration (MBA), Asia School of Business in collaboration with MIT Sloan Bachelor of Environments, University of Melbourne Green Building Index Facilitator (GBIF).
Working Experience	:	With close to ten years of experience in the construction and property development industry, which 1.5 years in construction management and 7 years in property development management, he was appointed as the Project Manager of Seacera Group in August 2022. He began his career in 2013 in Sunway Construction Group as a contract admin and went on to become a project executive. In 2015, he joined EcoWorld Development Group as a project executive and has since completed high-rise, low rise, commercial and infrastructure projects within Klang Valley.

Save as disclosed above, none of the Key Senior Management has:-

1. any directorship in public companies and listed issuers;
2. any family relationship with any Director and/or major shareholder of the Company;
3. any conflict of interests with the Company; and
4. any conviction for offences, other than traffic offences for the past 5 years or been imposed any sanction or penalty by any regulatory bodies during the financial year ended 30 June 2022.

CHAIRMAN'S STATEMENT

To the shareholders of Seacera Group Berhad

Dear Esteemed Shareholders,

On behalf of my fellow members of the Board of Directors ("Board") of Seacera Group Berhad ("Seacera" or "Group"), I am pleased to present the Annual Report and the Audited Financial Statements of the Group for the financial year ended ("FYE") 30 June 2022.

With the gradual recovery from the COVID-19 pandemic, FYE 30 June 2022 presented a better economic environment. The performance of our trading and property development segments have been improving during the financial year. The Group will be judicious in executing its business strategy and continue to enlighten its financial performance and position.

FINANCIAL OVERVIEW

For the FYE 30 June 2022, the Group recorded revenue of RM70.3 million and profit before tax of RM6.9 million as compared to RM4.4 million and RM6.1 million recorded respectively in the previous financial year. The significant increase in revenue was mainly due to higher contribution from the trading of building materials arising from new customer orders on project basis. Profit after tax was RM6.6 million and earnings per share stood at 1.12 sen for the FYE 30 June 2022.

The financial position of the Group remained strong evidenced by an increase in equity attributable to shareholders, improving from RM678.1 million recorded in the previous year to RM707.6 million as at 30 June 2022.

Further analysis on the Group's financial performance is set out in the "Management Discussion and Analysis" on pages 16 to 21 of this Annual Report.

OUTLOOK OF THE ECONOMY

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While growth was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust, underpinned by the continued recovery in labour market conditions and policy support. The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. Exports remain supported by strong demand for electrical & electronic ("E&E") products. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

Key economic sectors continued to expand in the second quarter of 2022. The services sector grew by 12.0% (1Q 2022: 6.5%). Consumer-related subsectors such as retail and leisure-related activities continued to recover amid the transition to endemicity, reopening of the international borders, improving labour market conditions and the additional support from policy assistance. The strong expansion was also seen in business related activities including transport and storage, due in part to higher growth in air passenger traffic and tourist arrivals. Furthermore, growth of the real estate subsector continued to improve as property transactions recovered. Additionally, the information and communication subsector provided further support to growth following greater usage of e-commerce services.

Chairman's Statement (continue)

The construction sector grew by 2.4% (1Q 2022: -6.2%), its first positive growth since 2Q 2021. Large commercial and industrial projects as well as small-scale projects continued to support activity in the non-residential and special trade subsectors. Meanwhile, the slower progress in infrastructure projects led to subdued growth in the civil engineering subsector.

During the quarter, domestic demand registered a higher growth of 13.0% (1Q 2022: 4.4%). This was mainly supported by a strong growth in private expenditure amid further normalisation of economic activity, as well as improving labour market conditions. On the external front, demand for Malaysia's exports, particularly for E&E products, remained strong.

Private consumption grew at a faster pace of 18.3% (1Q 2022: 5.5%), driven by higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. The strength in consumer expenditure was primarily driven by the recovery in the labour market. Policy support, including the implementation of minimum wage hike, Satu Bantuan Keluarga Malaysia and an Employees Provident Fund ("EPF")-related measure also provided additional lift to consumer spending.

Public consumption expanded at a moderate pace of 2.6% (1Q 2022: 6.7%), weighed down by lower supplies and services spending, reflecting smaller COVID-19 related expenditure.

(Source: BNM Quarterly Bulletin, the Second Quarter of 2022)

The services sector will benefit from the pent-up demand, following increased business and consumer confidence as the nation records a high national vaccination rate. As economic and social activities are allowed to operate, the services sector is expected to expand by 7% in 2022. The growth is mainly driven by wholesale and retail trade; information and communications; finance and insurance; transportation and storage; and food & beverages and accommodation subsectors.

With this encouraging development, the tourism industry is projected to rebound strongly by 28.9% with the resurgence of tourists' arrivals and domestic tourism. The wholesale and retail trade subsector are anticipated to increase by 8.7%, in line with the wider usage of e-commerce and rapid transition to digitalisation, particularly in the retail segment, improvements in the supply chain for the wholesale segment and introduction of new vehicle models with attractive sales packages. The Distributive Trade Master Plan, 2021 – 2025 to be launched at the end of 2021, will provide a clear direction for the distributive trade sector and outline strategies to support and strengthen the recovery and development of the subsector. In addition, the expected improvement in disposable income following better prospects in the labour market will also provide adequate impetus to the subsector.

The construction sector is projected to turn around by 11.5% in 2022 on account of better performance in all its subsectors. The civil engineering subsector is anticipated to regain its positive growth, following the continuation and acceleration of major infrastructure projects, such as Light Rail Transit Line 3, Mass Rail Transit Line 3, Johor-Singapore Rapid Transit System as well as the Pan Borneo highways in Sabah and Sarawak. Utility projects, including Baleh Hydroelectric, Sarawak Water Supply Grid Programme and Large-Scale Solar 3 plant, are also projected to spur growth. Similarly, the residential buildings subsector is expected to expand further in line with the Government's measures to address the shortage of affordable houses. The measures, among others, are the continuation of the Rent-to-Own scheme and full stamp duty exemptions for first-time home buyers as well as Rumah Mesra Rakyat and People's Housing programmes. In addition, the non-residential buildings subsector is anticipated to improve, backed by ongoing commercial projects, namely Kwasa Damansara, Tun Razak Exchange and KLIA Aeropolis.

The real estate and business services subsector is expected to decline by 5.1% in 2021. The annual performance was weighed down by the 10.5% contraction in the first half due to slower leasing and renting of properties and lower demand for professional services. However, the subsector is anticipated to improve marginally by 0.6% in the second half following the reopening of economic sectors and property companies' aggressive adoption of digital marketing. The expected improvement is also attributed to the extension of the Real Property Gains Tax exemptions as well as stamp duty exemptions and price discounts under the Home Ownership Campaign (HOC).

(Source: Economic Outlook 2022, Ministry of Finance Malaysia)

Chairman's Statement (continue)

PROSPECTS

As announced on 25 March 2022, a wholly-owned subsidiary of the Company, Seacera Builders Sdn. Bhd. has entered into a joint venture agreement with Ikhlas Al Dain Sdn. Bhd. to develop 137 holiday home villas in Cherating with an estimated gross development value of RM156.4 million. This said development will allow Seacera to generate revenue and earnings over the next 3 years.



Apart from the development in Cherating, we expect to commence the development of land bank measuring 501.5 acres in Semenyih, with current estimated gross development value of approximately RM7 billion. The development is expected to kickstart in year 2024, subject to approvals of development order secured from the local authorities.

As Malaysia moves into the COVID-19 endemic phase, the trading of building materials, tiles and mart operation are expected to contribute positively to the Group and will help to generate sustainable income and profit moving forward. Seacera has appointed experienced sales and marketing and procurement staff to run the daily operations of the tiles business. The Business-to-Business (B2B) model is adopted by importing tiles and thereafter supplying them to local sizeable retailers and contractors on project basis. The tiles are imported from China and traded under the brand name of Seacera. Currently, products sourced and traded are mainly ceramic and porcelain tiles. The Group plans to extend its products to include Vinyl, Laminated, Flooring and Stone Plastic Composite.

We have laid strong foundations for strategic growth through business diversification. The Group also plans to venture into the carpentry business which is expected to contribute revenue and positive earnings to the Group.

Overall, we are positive that the Group will have a sustainable income in the coming financial years as we focus on building on current businesses and explore new initiatives as proposed in our business diversification plans.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to convey our deep appreciation and gratitude to our shareholders, customers, suppliers, bankers and business associates for their continued support and co-operation throughout the financial year 2022.

I thank my fellow Directors, Management team and all the staffs of Seacera for their dedication, commitment and contribution in strengthening the sustainability of the Group. May we continue to gear ourselves for more accomplishments in the coming years.

Dato' Seri Abdul Azim Bin Mohd Zabidi
Independent Non-Executive Chairman
19 October 2022

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS

Seacera Group Berhad (“Seacera” or “Company”) and its subsidiaries’ core businesses during financial year 2022 (“FY2022”) consist of trading of building materials, personal protective equipment (“PPE”) and food & beverages, property development and construction activities.

Following the effectiveness of the preventive and control measures to curb the spread of COVID-19 virus, including implementation of comprehensive vaccination programme, the country has now transitioned to the endemic phase of the pandemic. Local businesses are gradually recovering to the pre-pandemic level and has brought positive impact to businesses in FY2022.

In FY2022, our trading business contributed to approximately 95% of the Group’s revenue. The Group first started bricks and refractory bricks production before venturing into fully vitrified homogeneous porcelain tiles manufacturing in 1987, all of which are manufactured and sold under the Company’s brand, SEACERA. Over the past 35 years, we have endeavored to be a trusted and preferred tiles supplier for our customers. Commencing the previous financial year and at present, the Group has shifted its focus to include not only trading of tiles products but wider ranges of building materials and finishes. We strive to provide quality products and excellent services in order to fulfill the customers’ needs and satisfaction.

REVIEW OF FINANCIAL RESULTS

Financial Performance

FYE 30 June	FY2022	FY2021	Change (%)
Revenue	RM70.3 million	RM4.4 million	1,497.7
Gross profit	RM8.8 million	RM2.3 million	282.6
Pre-tax profit	RM6.9 million	RM6.1 million	13.1
Net Profit Attributable to Owners	RM6.6 million	RM6.1 million	8.2
Net EPS (sen)	1.12	1.27	(11.8)
Gross margin	12.5%	52.3%	(76.1)
Pre-tax margin	9.8%	138.6%	(92.9)

The Group’s profitability has increased slightly in FY2022 due to higher revenue and gross profit recorded. Pre-tax margin decreased to 9.8% from 138.6% in FY2021 mainly due to other income derived from the gain on disposal of property, plant and equipment of RM6.40 million in the preceding year. Administrative expenses and finance costs had declined by 37.8% and 63.4 % respectively during the financial year. Subsequently, net profit attributable to owners of the Company slightly increase by 8.2% to RM6.6 million in FY2022 from RM6.1 million recorded in FY2021.

In FY2022, Seacera achieved revenue of RM70.3 million, as compared to RM4.4 million reported in FY2021 mainly due to increase in customers demand for building materials. Among the products which are of high demand are steel bar, reinforcing fabric of steel (BRC) and ready-mix concrete which has been supplied to customers’ project sites.

FY2022 Revenue Contribution

By Business Activities	Revenue (RM Million)	Contribution (%)
Trading of Building Materials	62.6	89.0
Trading of Food and Beverages (“Mart”)	4.1	5.8
Trading of PPE	0.1	0.1
Property/Construction	3.5	5.0
Total	70.3	100.0

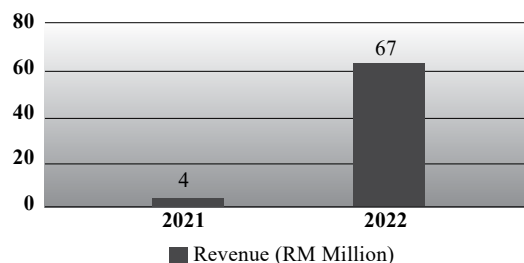
Management Discussion and Analysis (continue)

SEGMENTAL OVERVIEW

TRADING

Malaysian economy experienced renewed demand and supply shocks arising from strict containment measures under the National Recovery Plan (NRP) 1 during the third quarter of 2021. As a result, the economy contracted by 4.5% (2Q 2021: +16.1%). Economic activity was particularly impacted in July under Phase 1 of the NRP, but subsequently recovered as more states transitioned into Phase 2 with less restrictive containment measures.

Revenue - Trading Division



Revenue By Business Activities	FY2022 (RM Million)	FY2021 (RM Million)	Change (%)
Trading of Building Materials & Tiles	62.6	1.2	5,116.7
Mart	4.1	2.2	86.4
PPE	0.1	1.0	(90.0)
Total	66.8	4.4	5,113.00

As shown above, all trading activities showed positive growth in revenue except for PPE mainly due to stiff competition among the suppliers within the industry and announcement made by the government which has stated that effective from 1st May 2022, individuals are no longer required to wear face mask outdoors.

BUILDING MATERIALS

Revenue from trading of building materials had increased significantly by over 50 times to RM62.6 million from the preceding year's revenue of RM1.2 million. The increase was contributed by the increase of orders from existing and new customers. The Group has managed to secured orders from main contractors specialized in building and construction of super structures as well as mechanical and electrical contractors, under project basis.

Below are part of existing tiles product which are available for sale:



We strongly believe in creating value for customers and through our team's expertise in trading of building materials and tiles, Seacera strives to be the preferred supplier for our customers.

Values to be delivered:

- Improve the buying process
- Flexibility on payment
- Provide a positive experience

Management Discussion and Analysis (continue)

MART



Revenue from Mart had increased by approximately 86.4% to RM4.1 million from preceding year's revenue of RM3.2 million. The increase was mainly due to Mart had received bulk orders for food baskets by corporate and individual customers during the movement control order period.

Convenience stores, along with mini-markets, provision shops and wet markets are, after all, among the essential trades which have been allowed to operate throughout the pandemic.

SeaceraMart is focused on products manufactured by local small and medium enterprises and most importantly halal. We deliver all sorts of dry foods and beverages around Klang Valley direct to the customers' doorstep. Our in-house delivery service is economical and convenient for our customers.

Presently, SeaceraMart is operating retail outlet in Selayang. We aim to open more outlets at different strategic locations to help those in need. Currently, we are in the midst of applying relevant licenses and obtaining authority approvals. SeaceraMart are expecting revenue growth for the coming financial years as and when the new outlets are opened.

Below are part of existing Mart products which are available for sale:



Management Discussion and Analysis (continue)

Among our established partners:



The mart industry outlook in Malaysia remains highly vying. From time to time, we will continue to rejuvenate how our customers view SeaceraMart and build customer loyalty through expansion of product offerings, promotions, best in-store and convenient online shopping experience.



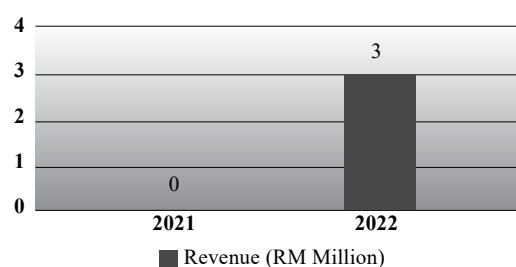
DELIVER TO YOUR DOORSTEP WITHIN KLANG VALLEY

PROPERTY DEVELOPMENT/CONSTRUCTION

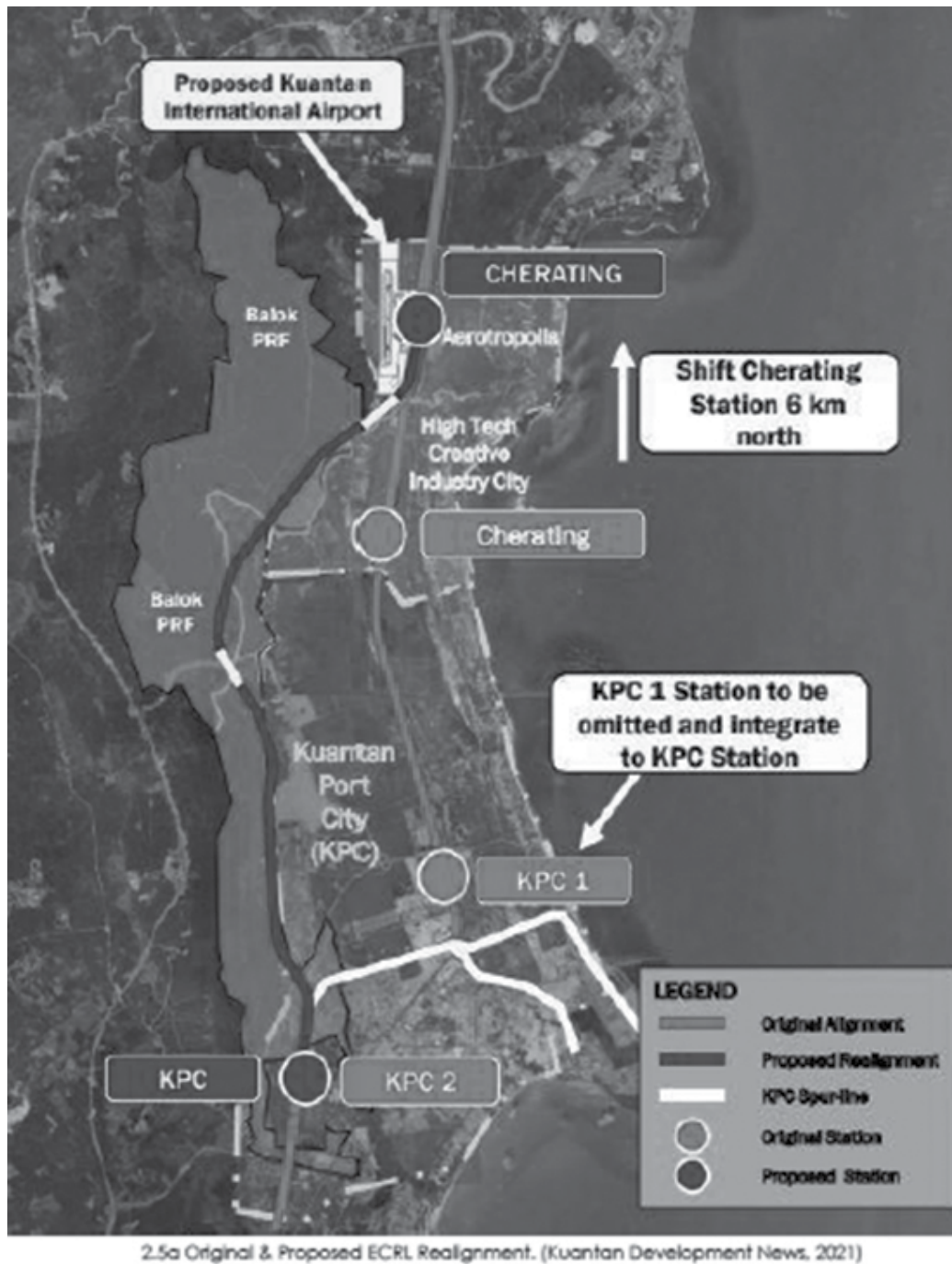
By Business Activities	FY2022 (RM Million)	FY2021 (RM Million)	Change (%)
Property/Construction	3.5	0.0	N/A

The Group's revenue from property/construction had increased to RM3.5 million for FY2022. During the financial year, a wholly-owned subsidiary of the Company, Seacera Builders Sdn Bhd ("SBSB") has entered into a joint venture agreement ("JVA") with Ikhlas Al Dain Sdn. Bhd.

Revenue - Property /Construction Division



Management Discussion and Analysis (continue)



As mentioned in the JVA, SBSB has agreed to undertake, implement and complete the the development of 137 holiday home villas, with all necessary infrastructure, facilities and development components to be constructed on the land measuring approximately, 30.2 acres located in Cherating, Pahang.

The said development, with estimated gross development value of RM156.4 million is poised to contribute positively to the revenue and earnings of the Group over the next 3 years.

Management Discussion and Analysis (continue)

As announced on 16 November 2021, a wholly owned subsidiary of the Company, Seacera Porcelain Sdn. Bhd. (“SPSB”) has entered into two (2) Sale and Purchase Agreement with AT Glove Engineering Sdn. Bhd. to dispose the following lands:

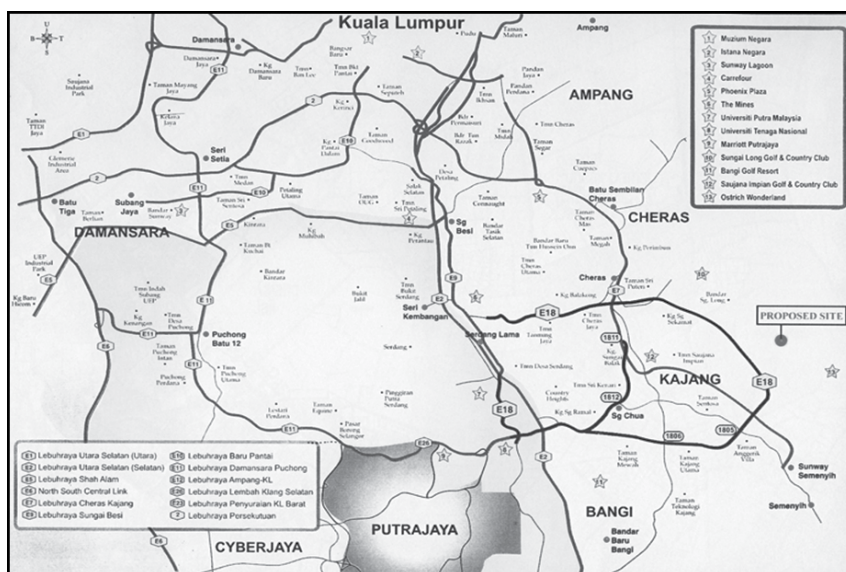
- All that Land held under Pajakan Negeri No. Hakmilik 380412, Lot 313647, Mukim Asam Kumbang, District of Larut & Matang, Perak; and
- All that Land held under No. H.S. (D) 31938, PT 24244, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Ridzuan.

measuring approximately a total of 63,588 square metres, for a total consideration of RM9 million. The proceed from the disposal has been utilised to settle the Group’s amount owing to creditors and bank borrowings.

The Group’s main jewel asset is 501 acres of freehold land, located in Semenyih/ Kajang and it will remain our focus for future development. During the financial year, we have received a proposal for mixed development on the said land, for a total gross development value of RM7 billion. The said development is expected to commence in Year 2024, subject to approval obtained from relevant authorities.

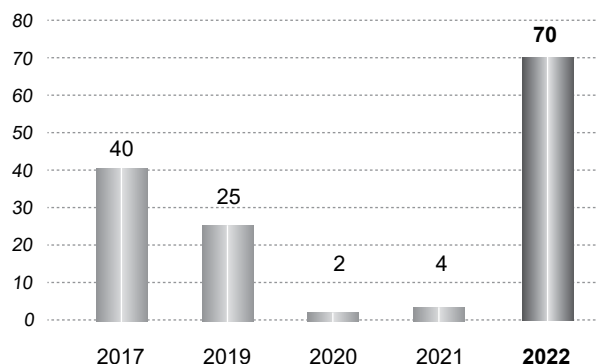
The distance from the said development to major towns/city centre are set out below:

Major towns/ City centre	Distance
Sungai Long	5 Km
Cheras	10 Km
Kajang	8 Km
Kuala Lumpur	25 Km
Putrajaya	12 Km
KLIA	30 Km
Bandar Baru Bangi	12 Km
Nilai	15 Km
Seremban	32 Km

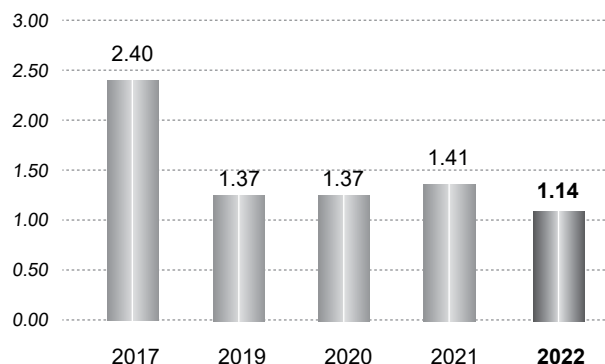


FINANCIAL HIGHLIGHTS

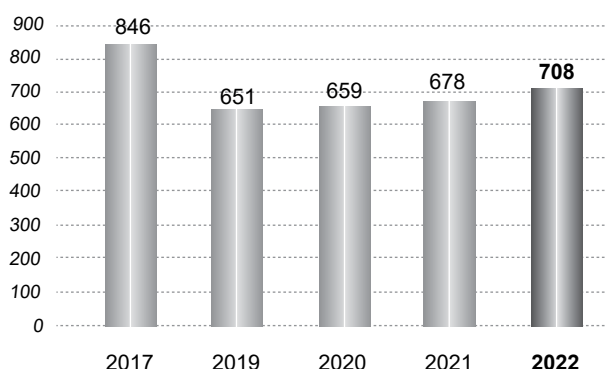
Revenue (RM Million)



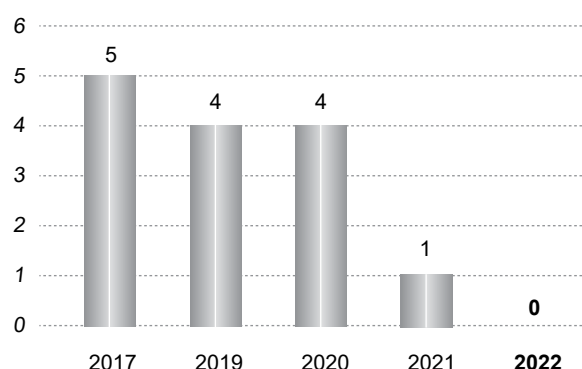
Net Assets Per Share (RM)



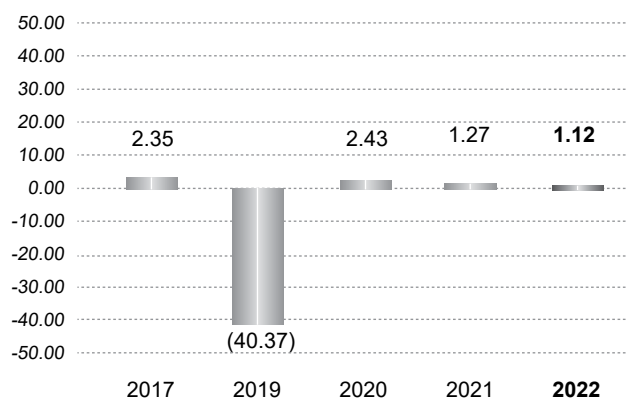
Shareholders' Funds (RM Million)



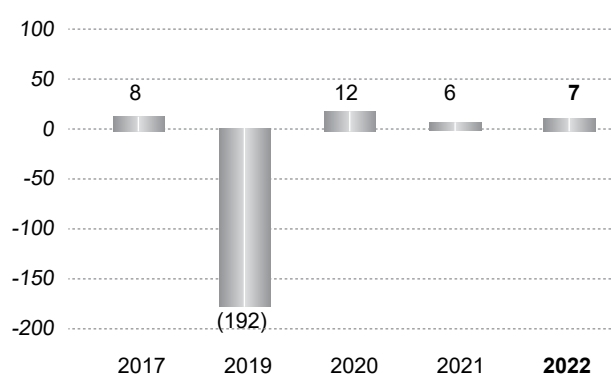
Net Gearing Ratio (%)



Earnings Per Share (SEN)



Net Profit for the Year (RM Million)






SUSTAINABILITY STATEMENT

Seacera Group Berhad (“Seacera”, or the “Group”) is pleased to present our Sustainability Statement for the financial year ended 30 June 2022 (“FYE 2022”), which discloses information on Seacera’s material issues along with its societal and environmental impacts and key sustainability initiatives. Stakeholders will be able to grasp a better understanding of the Group’s strategies, methodology and implementation of its sustainability efforts. This disclosure embodies the Group’s sustainability practices and progress, towards facilitating better communication, awareness and interaction between internal stakeholders and the general public.

REPORTING FRAMEWORK

The following guidelines and frameworks were referred to in the development of this Sustainability Statement.

Principal Framework	Additional Frameworks	
Global Reporting Initiative (GRI) Standards	Bursa Malaysia’s Sustainability Reporting Guide (2nd Edition)	United Nations Sustainable Development Goals (SDGs)
 GRI STANDARDS	 BURSA MALAYSIA	 SUSTAINABLE DEVELOPMENT GOALS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) were adopted by the United Nations (“UN”) Member States in 2015, as part of the 2030 Agenda for Sustainable Development. The SDGs, comprising a collection of 17 global goals, was established to be a blueprint to attain a better and more sustainable future for all global citizens.



Source: United Nations Sustainable Development Goals (UNSDG) 17 goals

Sustainability Statement (continue)

STAKEHOLDER ENGAGEMENT

The Group recognises the importance of regularly engaging with stakeholders, especially in a volatile operating environment, in order to foster greater interaction and understanding towards alignment of goals. Seacera continued to adopt this approach in FYE 2022, with greater emphasis on utilising social media to reach target audiences including existing and potential buyers. At the same time, Seacera upheld its high priority on attaining a safe and environmentally-friendly work space to ensure the continued safety of workers.

Altogether, the management has sought to foster a collaborative platform between the Group, stakeholders and community to sustain its business for the long term. The practices to this effect are summarised in the table below:

The management has sought to foster a collaborative platform between the Group, stakeholders and community to sustain its businesses for the long term. The table below sets out the details:

Stakeholders	Concerns and Interests	Engagement Methods	Frequency
Employees	<ul style="list-style-type: none"> Capacity building Work-life balance Workplace safety and health Training opportunities Career development Company's direction and updates Remunerations and benefits 	<ul style="list-style-type: none"> Educational programmes Occupational health and safety Safety inspections Annual performance appraisal 	<ul style="list-style-type: none"> Monthly/As needed Yearly/As needed Monthly Yearly
Customers	<ul style="list-style-type: none"> Quality of products Customer service and experience Regular updates on latest products and service offerings Timely delivery of products 	<ul style="list-style-type: none"> Feedback channels such as emails and phone calls Corporate website Social media Marketing materials 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing Ongoing
Vendors/ Suppliers	<ul style="list-style-type: none"> Fair procurement practices Support for local vendors/suppliers Prompt payment terms 	<ul style="list-style-type: none"> Meetings and discussions Annual performance evaluation Registration screening (pre-qualification of suppliers and vendors) 	<ul style="list-style-type: none"> Ongoing Yearly Ongoing
Shareholders	<ul style="list-style-type: none"> Business strategy and direction Group performance Shareholders' return Risk management Corporate governance and compliance 	<ul style="list-style-type: none"> Annual general meetings Annual report Quarterly financial reports Announcements on Bursa Malaysia Media releases Corporate website 	<ul style="list-style-type: none"> Annually Annually Quarterly As needed As needed Ongoing
Local Community	<ul style="list-style-type: none"> Local community development Philanthropy Environmental impact Job and business opportunities 	<ul style="list-style-type: none"> Meeting and dialogues Social media Corporate programs Community events Annual sustainability reporting 	<ul style="list-style-type: none"> As and when required Ongoing As and when required As and when required Annually
Regulators	<ul style="list-style-type: none"> Compliance with regulations and guidelines Industry best practices Corporate ethics and integrity 	<ul style="list-style-type: none"> Annual report Audits and inspections Filings and announcements on Bursa Malaysia Dialogue with authorities 	<ul style="list-style-type: none"> Annually As and when required As and when required As and when required

Sustainability Statement (continue)

MATERIALITY ASSESSMENT

Seacera has been reviewing the list of material sustainability matters annually to ensure it is aligned with the Group's business strategies, business operations and risks. In FYE 2022, Seacera has identified its material sustainability matters by conducting a materiality assessment exercise via the processes set out below:



IDENTIFICATION

The relevant material matters and stakeholder groups were identified and updated.



ASSESSMENT

Online survey forms were distributed to the stakeholder groups identified to assess the importance of Seacera's material matters.



PRIORITISATION

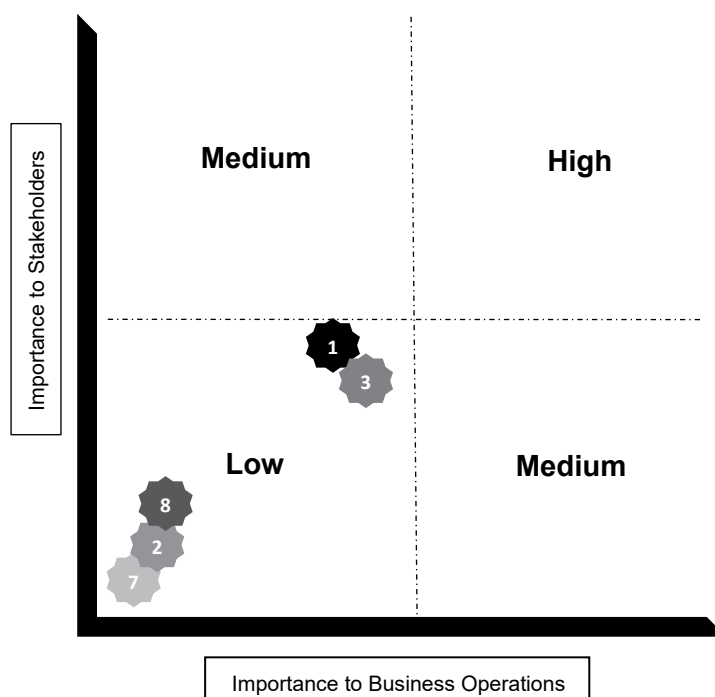
The importance of each material matter is determined and mapped accordingly in a materiality matrix.









VALIDATION

The materiality matrix formulated is submitted for approval.

From the materiality assessment conducted, a materiality matrix was created to demonstrate the prioritisation of material matters that have the greatest impact on the economy, environment and the society.



Sustainability Statement (continue)

Mapping Material Matters to GRI Aspects		
Materiality Matters	Description	GRI Indicators
Environmental Stewardship		
	<ul style="list-style-type: none"> • Providing a clean and safe future for the next generation • Protecting the environment • Reducing carbon footprint 	<ul style="list-style-type: none"> • Quality of products • Value proposition
Strengthening Social Responsibility		
 	<ul style="list-style-type: none"> • Food for all • Feeding the community • Providing the basic necessity 	<ul style="list-style-type: none"> • Local community developments • Philanthropy
Economic Prosperity		
 	<ul style="list-style-type: none"> • Building a workplace environment that is fair, just, equitable and meaningful • Promoting work life balance • Quality in life • Promoting long term partnership • Supporting and promoting suppliers/vendors 	<ul style="list-style-type: none"> • Capacity building • Work-life balance • Safe and healthy work environment • Future competency • Investment growth • Fair procurement • Support local suppliers/vendors
Practicing Responsible Governance		
	<ul style="list-style-type: none"> • Observing and complying to all possible aspect of good practices • Self-thought, self-initiative in building good values 	<ul style="list-style-type: none"> • Risk Management • Corporate Governance • MACC 17(A)

ENVIRONMENTAL STEWARDSHIP



Seacera is committed to improve its performance by operating efficiently, without compromising the importance of preserving the environment and managing environmental risks.

In order to reduce energy consumption, the Group has incorporated energy-efficient lighting system and air-conditioning system in its offices, retails outlets, stores and warehouses. Other electrical equipment and appliances are maintained at regular intervals to keep operating costs and downtime at its minimum.

Apart from this, our offices, retails outlets, stores and warehouses are constantly sanitised to curb the spread of the COVID-19 virus and thus, contributed effort in putting the pandemic under control. All employees and customers are required to sanitise their hands and put on their face upon entering to our business premises. Further, virtual meetings are conducted where necessary to minimise the risks of contracting COVID-19 virus. As at 30 June 2022, all employees of the Group have been fully vaccinated.

Sustainability Statement (continue)

We support the Environmental, Social and Governance initiatives undertaken by our subsidiary companies to reduce carbon footprint towards achieving carbon neutrality. As an investment holding company, Seacera does not pose any significant environmental risk or impact. Any significant impact will likely be indirect from our subsidiary companies. However, we believe every action taken to minimise carbon footprint can make a difference in the fight against climate change and environment degradation. We are committed to and doing our part to protect the environment.



STRENGTHENING SOCIAL RESPONSIBILITY

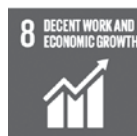


As an organization that provides quality products at reasonable prices to its customers, Seacera believes that hunger knows no boundaries and it is important to note that no one should go to sleep on an empty stomach. Noting that this is important during these trying time, especially during the COVID-19 pandemic, Seacera had partnered with several parties and associations to organise a number of food donation campaigns to help the less fortunate and those in need. The food donations were channeled through the following mediums and occasions:

- Over 7,000 food baskets were distributed to the needy in July 2021.
- White flag relief programmes, where over 1,000 households received food donations valued at approximately RM1.1 million throughout a six-month period from July – December 2021.
- Various programmes organised from July to December 2021, benefiting local community in certain areas of Sungai Buloh, Gombak, Shah Alam, Petaling Jaya, Kuala Lumpur, Balakong and Klang.
- Contribution of 300 cooking gas stoves to the flood victims in December 2021.
- Food and goodies given to the less fortunate in conjunction with the celebration of Hari Raya Aidilfitri.



Sustainability Statement (continue)



ECONOMIC PROSPERITY

Profitability is one of the key indicators that the investors and shareholders are looking at, to measure the performance of the Group. In the previous financial year ended 30 June 2021, the Group recorded profit after tax of RM6.12 million. During the financial year ended 30 June 2022, the Group has recorded profit after tax of RM6.62 million, representing an increase of RM0.50 million or 8% increase, as compared to the previous year. In the previous financial year, Seacera has embarked on new business venture of trading of building materials. Generally, the trading of building materials industry can be divided into two components i.e., general products and architectural products. The completion of the building structures through installation and assembly of general products will be followed by the installation of architectural products. The Group expects further growth in revenue and profitability in the next financial year on the back of its strong current order book.

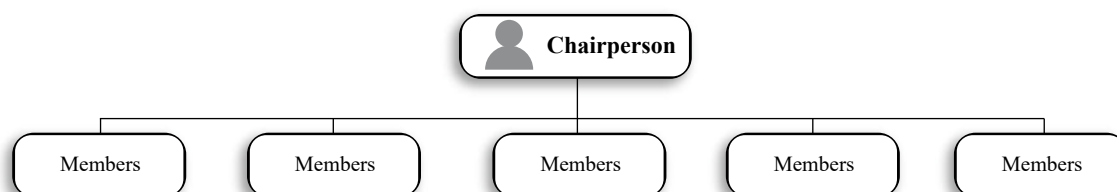


PRACTISING RESPONSIBLE GOVERNANCE

Seacera adopts a zero-tolerance approach to any corrupt practices and any other manifestations of dishonest and unethical business practices. The Whistle-blowing Policy provides the medium and channel for whistle-blowers to identify and call out misconduct, suspected violations and breaches of policies, laws and regulations. Proper policies and procedures are laid out under the Anti-Bribery Management System ("ABMS") and the Anti-Corruption Manual, for whistle-blowers to adhere to when reporting any known or suspected bribery, corruption and unethical business practices.

Ethical Business Conduct and Anti-Corruption & Anti-Bribery Policy

The Board recognises the importance of ethical business conduct to maintain our stakeholders' trust. The ABMS in place, together with the Anti-Corruption Manual, outlines the expected ethics and integrity standards for all employees to comply. This is to ensure that businesses are conducted with integrity through good governance, in line with the Group's Code of Business Conduct and Ethics. The ABMS lays out the roles and responsibilities of each and every member of the Anti-Corruption Function ("ACF") as set out below:



Duties and Responsibilities			
ACF Chief	* Oversees implementation of ABMS	* Advice on ABMS and bribery related issues	ACF Members
	* Reports ABMS performance to the Board	* Attend to bribery concerns and report to the ACF Chief	
	* Plans and reviews the Bribery Risk Assessment		
	* Appoints investigation team for any concerns raised	* Investigate reports assigned by the ACF Chief	

Sustainability Statement (continue)

Through our internal Grievance Procedure, employees are able to report suspected breaches of policies, laws and regulations within the Group. For external stakeholders, they can raise their concerns by sending email to appointed individuals detailed in the Whistle-Blowing Policy.

The identity of the whistle-blower and all contents of reports received, regardless from the employees or from external stakeholders, is treated with high confidentiality and are not to be disclosed without his/her prior consent. Further, whistle-blowers who made the reports in good faith will be protected from any reprisal actions.

The Reporting Investigation Procedure outlines the method for investigating any concern or violation of policies, laws and regulations within the Group. The designated contacts i.e., the Audit and Risk Management Committee Chairman, the Senior Independent Non-Executive Director or the Chief of Anti-Corruption Function) are responsible to handle reports of concerns and issues raised, alongside with follow up actions. For the financial year ended 30 June 2022, there has been no incident of report made to these designated contacts.

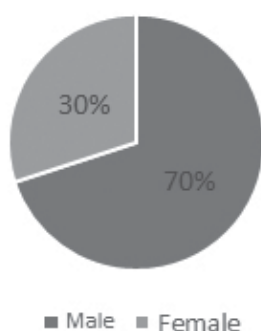
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DIVERSITY AND INCLUSIVENESS

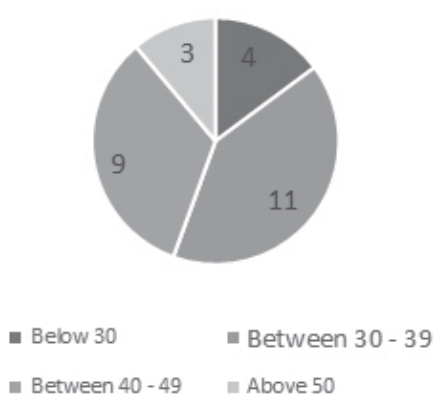


Seacera embraces the diversity of its workforce as the combination of talents and skills regardless of their gender, race, ethnicity and age, is vital in driving business success. As at 30 June 2022, the Group's headcount consists of four (4) directors, eight (8) management and fifteen (15) administrative staff, bringing the Group tally to twenty-seven (27) pax. The following charts depict the composition of the Group's workforce in FYE 2022.

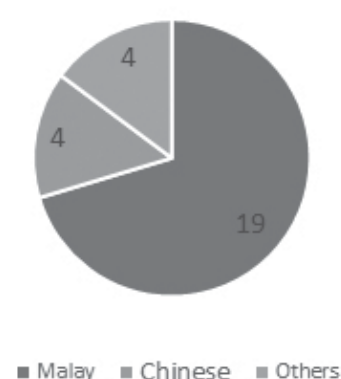
Employees by Gender



Employees by Age



Employees by Race



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Seacera Group Berhad (“Seacera” or “Company”) is committed to ensure that adequate standards of Corporate Governance are practised throughout the Company and its subsidiaries (collectively “Group”), towards enhancing business prosperity and corporate accountability to realise long-term shareholders’ value. The Board is working towards ensuring full compliance with the principles and best practices of Malaysian Code on Corporate Governance (“MCCG”), which sees the introduction of new best practice and further guidance to strengthen the governance culture of listed companies.

The MCCG covers three broad principles namely, Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (collectively “Principles”).

Pursuant to the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company has completed the prescribed Corporate Governance Report for the financial year ended 30 June 2022 (“FYE 2022”), which is made available at the Company’s website at www.seacera.com.my.

The Board is pleased to report to its shareholders, a general overview of the manner in which the Group has applied the Principles, throughout the FYE 2022. The shareholders are advised to read the Corporate Governance Report for the full details.

Principle A: Board Leadership and Effectiveness

I Board Responsibilities

- 1.0** The Company is headed by the Board, which has overall responsibility for the proper conduct of the Company’s business, in meeting the objectives and long-term goals of the Company. The Company’s values and standards together with the Board’s responsibilities are set out in the Board Charter.

The Board assumes full responsibilities for the overall performance of the Group by setting the policies, establishing goals and monitoring the achievement of the goals, through strategic action plans and careful stewardship of the Group’s assets and resources. It focuses on the financial performance and crucial business issues, like the principal risks and their management, succession planning for Senior Management, investor relations programmes and shareholders communication policy, systems for internal control and compliance with applicable laws and regulations.

In discharging its responsibilities, the Board considers all aspects of the operations of the Group and in particular the following areas:

- Reviewing and approving strategic business plans for the Group;
- Overseeing the conduct of the business operations and performance of the Group;
- Identifying and putting in place, controls to manage principal risks affecting the Group;
- Reviewing the adequacy and integrity of the Group’s management information, risk management and internal control system;
- Implementing succession planning for business continuity; and
- Maintaining effective communication with stakeholders including shareholders and the general public.
- Overseeing the overall conduct of the Group’s business and promoting a culture of corporate governance, corporate responsibility and sustainability;
- Assessing the effectiveness of the Board, Board Committees and individual Directors.

Further, to ensure the effective discharge of its functions and responsibilities, the Board has delegated specific responsibilities to the following Committees:

- (a) Audit and Risk Management Committee (“ARMC”); and
- (b) Nomination and Remuneration Committee (“NRC”).

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

I Board Responsibilities (Cont'd)

1.0 (Cont'd)

The Board currently consists of four (4) Directors as at the date of this report:

DATO' SERI ABDUL AZIM BIN MOHD ZABIDI

Independent Non-Executive Chairman

NICHOLAS WONG YEW KHID

Independent Non-Executive Director

CHUA YEONG LIN

Independent Non-Executive Director

SHI'ARATUL AKMAR BINTI SAHARI

Independent Non-Executive Director

The Directors play key supporting roles by contributing their knowledge and experience towards making independent judgments on issues concerning business strategies, performance, resources and standards of conduct. The Directors ensure that the strategies proposed by the Management are deliberated through formal meetings, taking into account long-term interests of the Company's stakeholders i.e., shareholders, employees, suppliers and customers.

The Board is supported by a Company Secretary who has adequate experience and competency in company secretarial services and satisfies the qualification as prescribed under Section 235(2) of the Companies Act 2016.

The tasks carried out by the Company Secretary for the financial year ended 30 June 2022 are set out below:

- Circulation to all the directors, notice of meetings, setting out the agenda and accompanied by the relevant Board papers, on the matters to be deliberated at Board meetings;
- Attended and ensured the proper conduct of procedures at all Board meetings, Board Committee meetings and annual general meeting;
- Prepared minutes of meetings and circulated to all the directors for their review and approval;
- Informed the Board on the latest developments concerning corporate governance, laws and regulations, statutory requirements and best practices;
- Kept the Directors and principal officers informed, on the closed period notice for trading of the Company's securities; and
- Ensured proper record and maintenance of the Company's minutes, resolutions, statutory records, statutory books and records, and other statutory documents.

The Board convenes scheduled meetings on a quarterly basis to deliberate and approve the Group's quarterly results. Additional meetings are convened as and when needed. The agenda and Board papers for each item as well as minutes of previous meetings are circulated at least seven (7) days prior to the Board meetings to ensure that the Directors are given sufficient time to deliberate on the issues to be raised at the Board meetings.

In addition, there was a schedule of matters reserved specifically for the Board's decision, including amongst others, the approval of corporate policies and procedures, the Group's operational plans and budget, the acquisitions and the disposals of undertakings and properties that are material to the Group, major investments, changes to the management and control structure of the Group, including key policies, procedures and authority limits.

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

I Board Responsibilities (Cont'd)

1.0 (Cont'd)

In carrying out their duties, the Directors have complete access to all staff for information pertaining to the Group's affairs. The Directors also have full access to the advice and services of the Company Secretary. Where necessary, the Directors may engage other independent professionals at the Group's expense, to benefit from their professional expertise/advice in order for them to discharge their duties with the full knowledge of the cause and effect.

The Board also ensures that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director is required to abstain from voting or deliberating, on a particular matter, in which they have vested interest. Upon conclusion of the meetings, the Board also ensures that the minutes are circulated in a timely manner.

External auditors and internal auditors are invited to attend meetings to provide useful insights, professional views, advice and explanations on matters specified in the meeting's agenda. As and when necessary, the Senior Management from various departments are invited to attend the Board meetings to present the latest updates and development of the business operations.

2.0 **There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authorities of the Board, Board Committees and Individual Directors.**

The Board concurred that the Board Charter ("Charter") should be reviewed and updated, in accordance with the needs of the Company and upon any new regulation coming into effect.

The Board has established clear functions reserved for the Board and those delegated to the Management in the Charter which serve as a reference point for Board activities. The Charter provides guidance for the Directors and the Management on their responsibilities to the Board, the Board Committees and the requirements as a Director. The Charter is subject to annual review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. Salient terms of the Charter are made available at the Company's website.

3.0 **The Board is committed to promote good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board, Management, employees and other stakeholders are clear on what constitute acceptable behavior and practice in the Company.**

The Company has also formalised a set of ethical standards through a Code of Conduct and Ethics, which is subject to annual review, to ensure that the Directors practise ethical, business like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. The Code of Conduct and Ethics is available on the Company's website.

Along with good governance practices and in order to enhance transparency and accountability, the Board has established and put in place, the following policies and procedures, where full details are made available at the Company's website:

- Board Charter
- Employees' Share Option Scheme (ESOS) Charter
- Risk Management Committee Charter
- Code of Conduct and Ethics
- Remuneration Policy
- Board Gender Diversity Policy
- Gift Policy
- Whistle Blowing Policy
- Director's Fit and Proper Policy
- Investor Relation Policy
- Audit and Risk Management Committee Terms of Reference
- Nominating and Remuneration Committee Terms of Reference

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

II Board Composition

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

The Company has complied with the requirements of paragraph 15.02 of the MMLR, which requires that the majority of the Board members to be made up of Independent Non-Executive Directors. The Board currently consists of four (4) Directors, all of whom are Independent Non-Executive Directors.

The Group is led and managed by experienced Board, all of whom have vast knowledge of the businesses. The management of the Group's businesses, the implementation of policies and day-to-day running of the businesses are delegated to the Group Chief Executive Officer (GCEO). The Independent Non-Executive Directors provide an unbiased and independent view to safeguard the interests of the shareholders.

The Board collectively views that its current size is effective and complies with the MMLR. The Board will continuously review and deliberate, the need to revise its size and composition, including determining the impact and the effectiveness of the proposed change, if any. The Nomination and Remuneration Committee ("NRC") has carried out an annual evaluation and assessment on the present composition of the Board and is of the view that the current size is adequate and facilitates effective decision-making.

The NRC has also carried out review on the Audit and Risk Management Committee ("ARMC") and is satisfied that the ARMC and its members have carried out their duties in accordance with their terms of reference.

At present, the Company does not have a formal policy on the tenure of Independent Directors. However, the Company recognises the MCCG's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. After the ninth (9th) year, the Independent Director may continue to serve on the Board as a Non-Independent Director. In the event, the Board intends to retain him/her as an Independent Director, the Board is required to seek shareholders' approval through a two-tier voting process.

The Board recognises the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the Independent Directors are capable in bringing independent judgments and to act in the best interests of the Group.

The Independent Directors of the Company fulfill the criteria of "Independence" as prescribed by the MMLR. They act independently of the Management and are not involved in any other relationship within the Group that may impair their judgments and decision-making.

Each Independent Director is required to notify the Board of any changes in their circumstances or of any new interest or relationship that would affect their independence as an independent director of the Company.

Further, all the Directors are required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholders of the Company, if there are any potential or actual conflict of interests with the Company and if they have been convicted of any offence within the past five (5) years other than traffic offenses and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

The Board, via the NRC, will review and assess the Director's independence and in forming the basis and justification for recommending whether the retiring Director should be nominated for re-election at the Annual General Meeting.

The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. The Company Secretary will ensure that all appointments are properly made and that all legal and regulatory requirements are met.

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (Cont'd)

In accordance with the Constitution of the Company, one third (1/3) of the Directors or if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office at least in each three (3) years but shall be eligible for re-election.

Every Director must retire from office at least once in every three (3) years at the Annual General Meeting. The newly appointed Directors shall hold office only until the conclusion of the next Annual General Meeting and shall be eligible for re-election. The re-election of each Director is voted separately. To assist shareholders in their decision making, sufficient information such as personal profile, meeting attendance and shareholdings in the Company are disclosed in the Annual Report.

The NRC is also responsible for recommending to the Board, identified Directors who are eligible to stand for re-election based on the review of their performance and their contributions to the Board through their skills, experience, qualities and ability to act in the best interests of the Company in decision-making.

All Directors of the Company shall not hold more than five directorships in public listed companies in compliance with paragraph 15.06 of the MMLR.

The details of the Directors' attendances at meetings during the FYE 2022 are set out below:

No	Name	Meetings attended
1.	Dato' Seri Abdul Azim Bin Mohd Zabidi (Appointed on 2 September 2021)	4/4
2.	Nicholas Wong Yew Khid	4/4
3.	Chua Yeong Lin	4/4
4.	Shi'aratul Akmar Binti Sahari (Appointed on 19 July 2021)	4/4

During the FYE 2022, the Board members attended courses and training programmes to update their knowledge on current issues and technical developments.

The following are the courses and training programmes which were attended by the Directors in FYE 2022:

Directors	Courses and Training Programmes
Dato' Seri Abdul Azim Bin Mohd Zabidi	<ul style="list-style-type: none"> a) Rebuilding the Economy, Sustainability Post Covid-19 by Minister of Finance – 29 July 2021 b) Budget Proposal 2021 and Legislation Changes – Director's Liability under Section 75A of Income Tax Act (ITA) 1967 – 26 August 2021 c) Transfer Pricing 101 – 1 September 2021 d) Reflections on NEP after 50 years – 15 September 2021 e) Ambassadors' Roundtable: Does Malaysia Need a Reset? – 24 February 2022 f) Asia Talks by Tawfik Tun Dr Ismail – "Malaysia First", a concept he is championing as Malaysia heads to the GE15 – 24 March 2022 g) Overview of the Malaysian Employment Act – 24 May 2022 h) Transaction and RPT Rules, Simplified – 13 June 2022

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

II Board Composition (Cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (Cont'd)

The following are the courses and training programmes which were attended by the Directors in FYE 2022: (Cont'd)

Directors	Courses and Training Programmes
Nicholas Wong Yew Khid	a) Budget Proposal 2021 And Legislations Changes - Director's Liability under Section 75A Income Tax Act (ITA) 1967 – 26 August 2021 b) Transaction on Related Party Transaction (RPT) Rules – 13 June 2022
Chua Yeong Lin	a) Roles & Responsibilities of Directors in respect of Financial Reporting – 9 September 2021 b) Seminar Percukaian Kebangsaan 2021 – 11 November 2021 c) SSM National Conference 2021 – 24 August 2021 d) Risk Management – Introduction – 18 February 2022 e) MIA Acctech Conference 2022 – 29 March 2022 f) Corporate Talk 2022: MYCOID - Start Your Own Company Now – 15 April 2022 g) The Art of Share Allocation to Shareholder – 24 June 2022
Shi'aratul Akmar Binti Sahari	a) Mandatory Accreditation Programme (MAP) – 15 March 2022 to 17 March 2022

In addition, during the financial year under review, the Directors were kept updated on recent changes and developments in statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and the Company Secretary during the Committees and/or Board meetings. Suitable training and education programmes were identified for their participation from time to time.

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors

The NRC consists of three (3) members, all of whom are Independent Non-Executive Directors.

During FYE 2022, the NRC has undertaken the following activities:

- (a) Reviewed, considered and recommended to the Board for approval, the re-election of director who retired in accordance with the Company's Constitution;
- (b) Assessed and evaluated the performance and effectiveness of the Board as a whole and individual director;
- (c) Reviewed the composition of the Board and Board Committees; and
- (d) Reviewed and recommended to the Board for consideration the payment of directors fees and other benefits

The Board has established a nomination process to facilitate and provide guidance for the NRC to identify, evaluate and recommend to the Board, suitably qualified candidates to be appointed as Director of the Company.

The nomination and election process of the Board members can be found in the Board Charter at the Company's website.

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

III Remuneration

6.0 The quantum of remuneration package of the Directors and the Senior Management takes into account, the aim of the Company to retain the right talent in the Board and the Senior Management, in order to drive the Company's long-term goals and objectives. The remuneration policies and decisions are made through a transparent and independent process.

The Board recognises that the NRC should be only made up of Non-Executive Directors where majority of them must be Independent Directors. The Company fulfills this requirement in which all of the members of NRC are Independent Non-Executive Directors.

The NRC is responsible for reviewing and recommending the remuneration of the Directors to the Board. The Board, as a whole, determines the remuneration of each of the Directors and each of the individual Director would abstain from discussing his/her own remuneration.

The remuneration of the Non-Executive Directors are based on their individual performance, the overall performance of the Company, inflation and benchmarked against other companies operating in Malaysia and is subject to approval by the shareholders.

The NRC makes its recommendations to the Board, with regards to the Company's policy on staff remuneration, taking into consideration, the remuneration package offered within the industry and benchmarked against similar comparable companies. The NRC strives to offer competitive remuneration package to the Company's staff by linking staff remuneration against their individual performance, evaluation of key performance indicators and meritocracy.

The NRC aims to align the interests of the Directors, the Senior Management and the key executives together with the interests of shareholders, to improve the Company's performance and to bring sustainable growth for the Company. Further, this would foster a greater ownership culture amongst its Senior Management and key executives.

7.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, through evaluation of the Company's performance

The details of the Directors' remuneration paid or payable for the financial year ended 30 June 2022 are set out below:

	Group							
	Salaries	Fees	Bonus	Allowance/ meeting allowance	EPF	Socso	Other Benefits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Non-Executive								
Dato' Seri Abdul Azim Bin Mohd Zabidi (Appointed on 2 September 2021)	-	49,667	-	-	-	-	-	49,667
Nicholas Wong Yew Khid	-	36,000	-	-	-	-	-	36,000
Chua Yeong Lin	-	36,000	-	-	-	-	-	36,000
Shi'aratul Akmar Binti Sahari (Appointed on 19 July 2021)	-	34,258	-	-	-	-	-	34,258
Total	-	155,925	-	-	-	-	-	155,925

Corporate Governance Overview Statement (continue)

Principle A: Board Leadership and Effectiveness (Cont'd)

III Remuneration (Cont'd)

7.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, through evaluation of the Company's performance. (Cont'd)

The details of the Directors' remuneration paid or payable for the financial year ended 30 June 2022 are set out below: (Cont'd)

	Company							
	Salaries	Fees	Bonus	Allowance/ meeting allowance	EPF	Socso	Other Benefits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Non-Executive								
Dato' Seri Abdul Azim Bin Mohd Zabidi (Appointed on 2 September 2021)	-	49,667	-	-	-	-	-	49,667
Nicholas Wong Yew Khid	-	36,000	-	-	-	-	-	36,000
Chua Yeong Lin	-	36,000	-	-	-	-	-	36,000
Shi'aratul Akmar Binti Sahari (Appointed on 19 July 2021)	-	34,258	-	-	-	-	-	34,258
Total	-	155,925	-	-	-	-	-	155,925

The details of the remuneration paid or payable to top five (5) key Senior Management, who are not Directors, for the financial year ended 30 June 2022 are set out below:

Key Senior Management	Company	Group
From RM51,000 to RM100,000	-	4
From RM301,000 to RM350,000	-	1

The remuneration of the key Senior Management of the Company as disclosed above is on an aggregated basis. The Board is of the opinion that the disclosure in details, of the key Senior Management's remuneration components (i.e., salaries, bonus, benefits in-kind and other emoluments) would not be in the best interests of the Group, due to confidentiality issues and security concerns.

Principle B: Effective Audit and Risk Management

I Audit and Risk Management Committee

8.0 There is an effective and independent ARMC and the Board is able to objectively review the ARMC's findings and recommendations

The ARMC consists of three (3) members, who are all Independent Non-Executive Directors. The Chairman of the ARMC is Chua Yeong Lin, an Independent Non-Executive Director of the Company.

The Company has not appointed any former partner of the external audit firm as a member of the ARMC and the term of reference of the ARMC has included a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

Corporate Governance Overview Statement (continue)

Principle B: Effective Audit and Risk Management (Cont'd)

I Audit and Risk Management Committee (Cont'd)

8.0 There is an effective and independent ARMC and the Board is able to objectively review the ARMC's findings and recommendations. (Cont'd)

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through its annual financial statements and quarterly announcements of the unaudited financial results. The ARMC assists the Board to oversee the Group's financial reporting processes and the quality of its financial reporting.

The ARMC's main responsibilities include the supervision of the truthfulness and reliability of the Company's financial statements, the effectiveness and adequacy of the Company's internal control as well as risk management system.

The Directors are also required by the Companies Act 2016 ("Act") in Malaysia to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the requirements of the Act so as to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance of the Group and of the Company for the financial year.

An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the MMLR. The Board through its ARMC, reviews and reports to the Board, any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company or Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction, at the Board and any general meeting convened to consider such matters.

The external auditors confirmed that they are independent in accordance with the *By-laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) throughout their engagement.

II Risk Management and Internal Control Framework

9.0 Company makes informed decisions on the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with reasonable assurance that any adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

The Board has ultimate responsibility in reviewing the Company's risks, approving the risk management framework and policies and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk assessment matrix as well as safeguarding the interest of stakeholders and shareholders and the Group's assets.

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity.

The key features of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Company of this Annual Report.

10.0 The Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Group has outsourced its internal audit function to an independent consultant firm, Messrs. Mac & Associates PLT. The internal audit function covers all material controls including financial operational issues. The internal audit findings are reported to the ARMC and the corrective actions undertaken by the relevant departments.

The internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Mr. Josh Chuah (director of Messrs. Mac & Associates PLT.) is a Certified Internal Auditor, a professional qualification required of an internal auditor. The internal audit function is carried out in accordance with a recognised framework.

Corporate Governance Overview Statement (continue)

Principle B: Effective Audit and Risk Management (Cont'd)

II Risk Management and Internal Control Framework (Cont'd)

10.0 The Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework. (Cont'd)

The Statement on Risk Management and Internal Control set out of this Annual Report provides an overview on the risk issues and the state of internal controls within the Group.

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures of material information relating to the Company and its subsidiaries to be made available to the regulators, shareholders and stakeholders.

On this basis, the Board has formalised pertinent policies and procedures to comply with the disclosure requirements as stipulated in the MMLR, and also setting out the persons authorised and responsible for approving and disclosing the material information to regulators, shareholders and stakeholders.

The release of material information will be made publicly via Bursa Malaysia. Members of the public can also obtain the full financial results and the Company's announcements from the Bursa Malaysia's website.

The Company's website is regularly updated and provides relevant information on the Company which is accessible to the public to make informed investment decision.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I Communication with Stakeholders

11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each others' objectives and expectations. Stakeholders are able to make informed decisions with respect to the businesses of the Company, its policies on governance, the environment and social responsibility.

The Board believes that dialogue with stakeholders is a necessary and beneficial process as it enables the Company to understand stakeholders' concerns and to take these concerns into considerations when making decisions.

The Company has established an investor relation website to keep its shareholders and investors updated on the latest developments of the Company. It includes announcements released to Bursa Securities, including the unaudited quarterly financial results and annual reports.

Communication between the Company and its shareholders is done in the following manner:

a. Dialogue between the Company and Investors

The annual report, the unaudited quarterly reports and various mandatory announcements are the main channels of information by the Company of its financial performance, operations and corporate developments.

The Company's website contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put forth their questions to the Company through the website.

The Board considers it essential that investors are kept informed of all the latest financial results and developments of the Company and where appropriate, will provide disclosure that serves the best interests of the Company and also of the shareholders. Such information can be obtained from the websites of the Company and Bursa Malaysia.

b. The Annual General Meeting ("AGM")

The AGM is an important event for the Company where the Board has the opportunity to dialogue with its shareholders and present the results and performance of the Group. All questions raised, suggestions and comments by shareholders during the AGM will be noted by the Board for its consideration, deliberation and necessary action.

Corporate Governance Overview Statement (continue)

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Cont'd)

I Communication with Stakeholders (Cont'd)

11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each others' objectives and expectations. Stakeholders are able to make informed decisions with respect to the businesses of the Company, its policies on governance, the environment and social responsibility. (Cont'd)

c. Investor Relation Policy

The Company maintains an open and transparent channel of communication with its shareholders and the public at large. Any inquiry regarding the Company's performance may be conveyed to:

Zulkarnin Bin Ariffin
(Group Chief Executive Officer)

Telephone/Facsimile number : 03-7688 7517/ 03- 7688 7518

Email address : info@seacera.com.my

II Conduct of General Meetings

12.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make Informed voting decisions at general meetings

The AGM acts as a forum for dialogues and interactions between the Company and the shareholders. Through this forum, the shareholders could raise questions while on the other hand, the Directors and Senior Management are to attend to the questions raised by the shareholders.

It is a requirement for the Company to serve the Notice of AGM and related circulars to shareholders, at least twenty-eight (28) days prior to the AGM. At the AGM, shareholders are encouraged to ask questions regarding the resolutions being proposed and the Company's operations in general for further information.

The Company served the Notice of AGM to shareholders of the Company at least 28 days prior to the AGM. The Notice of the 36th AGM held on 29 November 2021 was issued on 29 October 2021 and met the requirement of at least 28 days.

All resolutions set out in the notice of general meetings were via e-voting and the Board will make announcements of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate remote shareholders' participation and e-voting.

III Leveraging Information Technology for Effective Dissemination of Information, Remote Shareholders' Participation and E-Voting

To augment the process of disclosure, the Board has established a dedicated Investor Relations section on the Company's website that provide access to corporate governance related information, such as the Company's announcements made to Bursa Securities, financial results and the Company's Annual Report. Shareholders are encouraged to access the Company's website as well as Bursa Securities' website at www.bursamalaysia.com to obtain the latest information of the Company. Continuous improvement and development of the website will be undertaken by the Company to ensure easy and convenient access.

The Company will continue to leverage on technology to facilitate remote shareholders' participation and e-voting for the conduct of polls on all resolutions via remote participation and voting ("RPV") facilities for its forthcoming 37th AGM to be held on 23 November 2022.

Shareholders are encouraged to attend the forthcoming 37th AGM through the RPV facilities via the online platform stated in the Notice of 37th AGM.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCGG has been applied. The Board is satisfied that the Group has fulfilled its obligation under the MCGG, MMLR and all applicable laws and regulations throughout the financial year ended 30 June 2022.

This Statement was approved by the Board of Directors of the Company on 19 October 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“Board”) of Seacera Group Berhad is pleased to present the Audit and Risk Management Committee (“ARMC”) report for the financial year ended 30 June 2022.

COMPOSITION OF MEMBERS

The ARMC comprises the following three (3) members of the Board, all of whom are Independent Non-Executive Directors:

Member of the Audit and Risk Management Committee	Designation
Chua Yeong Lin (Independent Non-Executive Director)	Chairman
Nicholas Wong Yew Khid (Independent Non-Executive Director)	Member
Shi'aratul Akmar Binti Sahari (Independent Non-Executive Director) [Appointed on 19 July 2021]	Member

Mr. Chua Yeong Lin is the Chairman of the ARMC and he is not the Chairman of the Board. Mr. Chua Yeong Lin and Ms. Shi'aratul Akmar Binti Sahari are members of the Malaysian Institute of Accountants (MIA). This composition is in compliance with Paragraph 15.09 and 15.10 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

ATTENDANCE AT MEETINGS

The ARMC convened four (4) meetings during the financial year ended 30 June 2022. The Company Secretary was present in all of the meetings. The ARMC meetings were also attended by other Board members, Senior Management members, representatives of External Auditors as well as representative of Internal Auditors as and when deemed necessary.

The details of the attendance of each member at the ARMC meetings held during the financial year ended 30 June 2022 are as follows:

Members of the Audit and Risk Management Committee	Total Number of Meetings Attended
Chua Yeong Lin (Chairman)	4/4
Nicholas Wong Yew Khid (Member)	4/4
Shi'aratul Akmar Binti Sahari (Member)	4/4

INDEPENDENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Group recognises the need to uphold independence of its External Auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the members of the ARMC were former key audit partners of the External Auditors appointed by the Group. The Group will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC, was previously a key audit partner of the External Auditors of the Group.

TERMS OF REFERENCE

The terms of reference of the ARMC is available on the Company’s website at www.seacera.com.my.

Audit and Risk Management Committee Report (continue)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR ENDED 30 JUNE 2022

1) Audit and Risk Management Committee

Financial Reporting

- a) Reviewed the quarterly unaudited financial results of the Group and of the Company including the announcements pertaining thereto, before recommending to the Board for approval and release of the Group's financial results to Bursa Malaysia Securities Berhad ("Bursa Securities"); and b) Reviewed the annual Audited Financial Statements ("AFS") of the Group before recommending to the Board for approval and inclusion into the Annual Report of the Company to be submitted to Bursa Securities.

Date of Review/ Approval	Review of Financial Statements
27 September 2021	Fourth quarter results FYE 2021 (Q4 FY2021 Results)
26 October 2021	Audited Financial Statements for the financial year ended 30 June 2022
23 November 2021	First quarter results FYE 2022 (Q1 FY2022 Results)
28 January 2022	Second quarter results FYE 2022 (Q2 FY2022 Results)
25 May 2022	Third quarter results FYE 2022 (Q3 FY2022 Results)

- b) Reviewed the reports submitted by the Internal Auditors ("IA") and the External Auditors ("EA"), discussed with the IA and the EA and approved on their observations, suggestions, recommendations as well as their audit plans for the Group;
- c) Reviewed the status of material litigations of the Group;
- d) Reviewed the related party transactions and any other rising issues within the Group and made recommendations to the Board in respect of the issues;
- e) Reviewed, assessed and discussed the financial issues arising from the Management's various reports, initiating further studies which it deemed necessary, reported to the Board on the findings of its studies and making appropriate recommendations;
- f) Evaluated the performance of the IA and EA for the financial year ended 30 June 2022;
- g) Reviewed and recommended the re-appointment of External Auditors and audit fees to the Board for its approval; and
- h) Reviewed Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report.

Audit and Risk Management Committee Report (continue)

2) Internal Auditors (“IA”)

The Group has outsourced its internal audit function to an independent professional consulting firm, Messrs. Mac & Associates PLT to assist the ARMC in discharging their responsibilities and duties. The above-mentioned IA possesses the relevant qualification and experience as a professional firm of IA.

The IA functions of the Group are then carried out according to the internal audit plan as approved by the ARMC. In each financial year, the IA would present its report to the ARMC. The ARMC then monitors the timely and proper implementation of required corrective or improvement measures undertaken by the Management so as to continuously improve the system of internal controls of the Group.

During the financial year ended 30 June 2022, an internal audit review report on Receipt, Payment and Inventory Function was issued to the Management. Other activities performed by the IA are as follows:

- a) Performed the audit observation and prepared the internal audit review report;
- b) Assessed the risks within the Group by adopting the ISO31000 and submitted the Risk Management Report of the Group to the ARMC;
- c) Identified and recommended process improvements to existing system of internal controls in the Group;
- d) Reviewed the adequacy and effectiveness of the internal control structures of the Group; and
- e) Assisted the Board and Management by reviewing the risk policy and control strategies in the organisation and assisted the Audit and Risk Management Committee on internal and operational audits.

The total costs incurred by the IA in discharging its functions and responsibilities in respect of the financial year ended 30 June 2022 amounted to RM11,000 as compared to RM15,000 in 2021.

3) External Auditors (“EA”)

During the financial year ended 30 June 2022, activities performed by the EA are as follows:

- a) Reviewed the EA’s scope of work and audit plan for the year;
- b) Reviewed and discussed the EA’s audit report and areas for concern highlighted in the Management letter, including Management’s response to the concerns raised by the EA, and evaluation of the system of internal controls;
- c) Discussed significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements; and
- d) Inquired into the assistance given by the Management to the EA.

The ARMC received confirmation from the external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT (“Al Jafree”) that they adhered to the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) in relation to communication of breaches of auditor’s independence, in which they have not identified any breach of independence and they were in compliance with the independence requirements set out in the By-Laws and the IESBA Code.

The ARMC undertook an annual assessment of the performance of the external auditors for the FYE 30 June 2022, covering areas such as scope of work, calibre, quality control processes, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees of the external auditors. The ARMC was satisfied that Al Jafree were unlikely to create any conflict of interest nor impair the independence, suitability and performance of Al Jafree and thus, recommended to the Board to seek shareholders’ approval for the re-appointment of Al Jafree as external auditors for the FYE 30 June 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Seacera Group Berhad (“Seacera” or “the Company”) is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year ended 30 June 2022. This Statement has been prepared in accordance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”).

Risk Management and System of Internal Controls

The Board is responsible for managing the key risks of the Group and implementing appropriate internal control systems to manage those risks. The Board reviewed the adequacy and effectiveness of the system of internal controls as it operated during the year under review. However, the Board acknowledges that the internal controls would not provide absolute assurance against all risks but serve to provide reasonable assurance and is designed to manage the likelihood and consequences of risks at an acceptable level. The risk management and internal controls are adopted pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities.

The following are the key elements of the Group’s risk management and system of internal controls:

- The management structure of the Group formally defines the lines of responsibility and delegation of authority for all aspects of the Group’s affairs. Senior management and/or managers present their operational performance reviews as well as business plans and strategic measures at monthly meetings.
- The Internal Audit report and its findings are prepared on a case-to-case basis by the internal auditor and forwarded to the Audit and Risk Management Committee for review and deliberation.
- Clear terms of references of the Board and its Committees.

The Board is strongly committed to an effective risk management and internal control systems guided by the Company’s good governance and MMLR of Bursa Securities to further raise the level of transparency and accountability of the Company’s operations.

Establishment of Audit and Risk Management Committee (“ARMC”)

The Board, having reviewed the current composition of the Board and taking into consideration the current size and level of operation of the Group, is of the view that the combination of the Audit and Risk Management Committee is deemed a practical and effective approach and would continue to maintain this practice.

The Board recognises that a robust risk management framework is important to correctly and timely identify any shortcomings. The ARMC has adopted the ISO 31000 in assessing the risks. The ARMC is supported by a team of key risk owners called the Risk Management Working Group (“RMWG”).

The Board via the ARMC, would periodically measure the appropriate risk appetite which is then cascaded down. In ensuring that all critical risks are identified and appropriately managed, the ISO 31000 is used as this method is easy to implement as well as the risk matrix used to prioritise the risk. Using the ISO 31000, risks are dissected to a level in which appropriate controls can be applied. The RMWG oversees the entire process and reports to the ARMC.

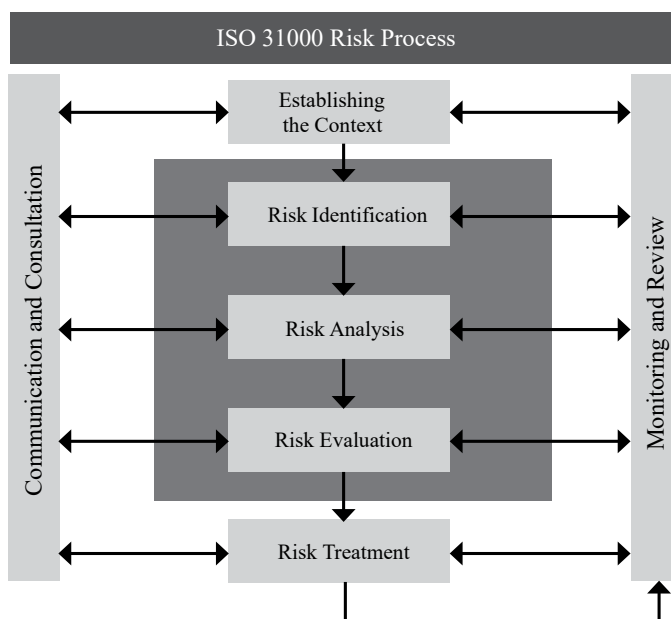
A continuous process of risk identification, risk analysis, risk evaluation and risk treatment shall be implemented through the Risk Management Report in order for this programme to succeed. During the risk identification process, all risks identified will be deliberated. However, potentially high risk events that could adversely impact the Company’s business objectives shall be given the utmost attention. The ARMC shall continue to monitor and discover effective business strategies and implement them to better control the risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continue)

Risk reviews will be conducted periodically to assess the effectiveness of the risk mitigation measures that are already in place and the adequacy of the system. Corrective actions/measures will be taken immediately whenever deemed necessary.

The Board has empowered the ARMC to:

- introduce or conduct risk awareness, risk mitigation action plans and training on risk management for the employees.
- continuously identify and evaluate the potential risks or potential events that could adversely impact the achievement of the Company's business objectives.
- determine the impact and consequences of any latent risks and recommend strategies to reduce the likelihood of such risks occurring.
- conduct risk reviews periodically and reassess the effectiveness of the existing risk mitigation measures and adequacy of the existing systems.
- adopt corrective measures/actions whenever necessary.



Internal Audit Function

The Group has outsourced the internal audit function to support the ARMC and the Board. The Internal Auditors report directly to the ARMC on a case-on-case basis. The Internal Auditors conduct audit on the Group's operations as mandated by the ARMC to check and monitor the compliance of the Group's policies and procedures as well as the adequacy and effectiveness of the internal control systems. The Internal Auditors shall highlight significant findings in respect of non-compliance by the Group to the Board via the ARMC and to take follow-up actions with the Management in respect of the agreed corrective actions to be implemented.

The Group has appointed Messrs. Mac & Associates PLT ("MAC"), an independent consulting firm to review the adequacy and integrity of its system of internal controls. MAC acts as the internal auditors and reports directly to the ARMC.

MAC reviews and addresses the critical business processes, identifies the risks and measures, prioritises and responds to the risks challenging the Group's most critical objectives, initiatives and day-to-day operating practices. MAC also recommends any possible improvements to the internal control processes. Follow up reviews are also conducted to ensure that corrective actions have been implemented on a timely manner.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continue)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

Management is responsible for assisting the Board in identifying risks relevant to the business of the Group, implementing Board's policies and strategies, maintaining sound system of risk management and internal control, and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group from achieving its objectives and performance. The responsibilities of Management in respect of risk management include but not limited to the following:

- identify the risks relevant to the business of the Group and the achievement of the Group's objectives and strategies;
- design, implement and monitor the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the ARCM, NRC and the Board.

The Board has received assurance from the Group Chief Executive Officer that to the best of their knowledge, the Group's risk management and internal control system has been operating adequately and effectively in all material aspects, throughout the financial year under review and up to the date of issuance of this Statement on Risk Management and Internal Control ("SORMIC").

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this SORMIC in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Company for the year ended 30 June 2022, and reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the SORMIC factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

Conclusion

The Board is aware and cognisant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Group will continue to take measures to strengthen the risk management and internal control systems with a view to further enhance their effectiveness and to ensure new and additional risks arising from changes in the business and operating environment are managed within tolerable limits and dealt with accordingly and speedily.

This Statement on Risk Management and Internal Control was approved by the Board on 19 October 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board of Directors of the Company ("Board") is required by the Companies Act 2016 ("Act") to make a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements for the financial year ended 30 June 2022 have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards and the requirements of the Act.

The Board has taken the following measures in preparing the financial statements:

- Reviewed the accounting policies and ensured that they were consistently applied;
- Made reasonable and prudent judgements and estimates;
- Ensure that all applicable accounting standards have been followed; and
- Prepared the financial statements on the assumption that the Group and the Company will operate as a going concern.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling for financial statements to be complied with the requirements of the Act and have been made out in accordance with applicable MFRS, IFRS and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Additionally, the Board relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This Statement of Directors' Responsibility was reviewed and approved by the Board of Directors on 19 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

1. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest either subsisting at the end of the financial year ended 30 June 2022 ("FYE 2022") or entered into since the end of the previous financial year.

2. Recurrent Related Party Transactions

There were no recurrent related party transactions of a revenue or trading nature which requires shareholders' mandate during the financial year under review.

3. Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees paid/payable to the External Auditors and its affiliates by the Company and the Group for the FYE 2022 are as follows:

	Group RM	Company RM
Audit Fees	130,500	45,000
Non – Audit Fees	-	-

4. Utilisation of Proceeds raised from Corporate Proposals

The Private Placement was completed on 1 September 2021 and the Company had placed out 120,431,000 new ordinary shares via the 25% placement exercise which raised total proceeds of RM18,787,236.00.

As at 30 June 2022, the status of utilisation of proceeds raised from the Private Placement are as follows:

Utilisation of proceeds	Proceeds Raised RM'000	Reallocation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Estimated timeframe for utilisation
a) Funding for the building materials trading business	12,930	480	(13,410)	-	Within 24 months
b) Working Capital	4,944	-	(4,944)	-	Within 24 months
c) Estimated expenses for the Proposals	913	(480)	(433)	-	Immediate
Total	18,787	-	(18,787)	-	

5. Employees' Share Option Scheme ("ESOS")

The ESOS of the Company for eligible Directors and employees of the Group was in force for a period of five (5) years commencing from 24 June 2021 ("Effective Date") and the ESOS is governed by its By-Laws approved by the shareholders at an Extraordinary General Meeting held on 18 June 2021. The salient information in relation to the ESOS are as follows:

a) The details of ESOS Options granted during the FYE 2022 are as follows:-

Total number of ESOS Options granted	:	90,323,000
Total number of ESOS Options exercised	:	20,000,000
Total number of ESOS Options cancelled/lapsed	:	70,323,000
Total number of ESOS Options balance	:	-

b) Percentage of options applicable to Directors and Senior Management under the ESOS during the FYE 30 June 2022 and since its commencement up to FYE 30 June 2022 are as follows:

Directors and Senior Management	Percentage of options (%)	
	During the FYE 30 June 2022	Since commencement of the ESOS up to 30 June 2022
Aggregate maximum allocation	70%	70%
Actual options granted	70%	70%

CORPORATE CALENDAR

DATE	CORPORATE NEWS AND HIGHLIGHTS
1 September 2021	The Private Placement has been completed following the listing and quotation of 120,431,000 Placement Shares, being the first and final tranche of the Private Placement, on the Main Market of Bursa Malaysia Securities Berhad on 1 September 2021.
16 November 2021	<p>Seacera Porcelain Sdn Bhd (“SPSB” or “the Vendor”), a wholly-owned subsidiary of the Company, had on 15 November 2021, entered into two (2) Sale and Purchase Agreement (“SPAs” or “the Agreement”) with AT Glove Engineering Sdn. Bhd. [Registration No. 202001014272 (1370592-K)] (“ATGESB”) to dispose two (2) lands as follows:</p> <p>a. All that land held under Pajakan Negeri No. Hakmilik 380412, Lot 313647, Mukim Asam Kumbang, District of Larut & Matang, Perak (“Land 1”); and</p> <p>b. All that land held under No. H.S. (D) 31938, PT 24244, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Ridzuan (“Land 2”).</p> <p>(Collectively to be referred to as “the Lands”) measuring approximately total of 63,588 square metres, for a total consideration of RM9,000,0000 (Ringgit Malaysia Nine Million) only (“Purchase Price”).</p>
18 November 2021	<p>Seacera Care Sdn. Bhd. (formerly known as Seacera Polymer Sdn. Bhd.) (“SCSB”), a wholly-owned subsidiary of the Company, had on 1 November 2021 obtained approval from the Medical Device Authority under the Medical Device Act 2012 (Act 737), Section 15 (1) of Act 737 for Medical Device Authority establishment license. The establishment license shall be valid for a period of 3 years and is renewable upon submission of the application for renewal.</p> <p>The establishment license authorizes SCSB to be an authorized representative, distributor and importer of medical devices in order to enhance the income stream and the financial position of the Group.</p>
29 November 2021	36 th Annual General Meeting (“AGM”) of Seacera Group Berhad was held via online meeting platform at 10.00 a.m. and all resolutions as set out in the Notice of the 36th AGM dated 29 October 2021 were passed at the 36th AGM of the Company.
6 December 2021	SCSB had received a Medical Device Registration Certificate under Section 5(1) of Medical Device Act 2012 for a device known as “General Purpose Portable X-Ray Equipment (Class C)” on 6 December 2021 pursuant to the submitted application by SCSB to MDA on 15 November 2021. The Certificate shall be valid for a period of 5 years and is renewable upon submission of the application for renewal.
22 December 2021	Seacera Group Berhad had made an offer of options on 22 December 2021 to the eligible persons to subscribe for new shares in the Company (“Options”) under the Company’s Employees Share Option Scheme.
14 March 2022	<p>SPSB and ATGESB on 14 March 2022, mutually agreed to extend the Consent period date as stipulated in the SPA for a further three (3) months commencing from 15 March 2022 until 14 June 2022 (“Further Extended Consent Period”).</p> <p>Any further extension after the expiry of the above-mentioned three (3) months will be subject to the mutual agreement between both parties.</p>
25 March 2022	Seacera Builders Sdn Bhd (“SBSB”), a wholly-owned subsidiary of SGB, had on 25 March 2022 entered into a joint venture agreement (“JV Agreement”) with Ikhlas Al Dain Sdn. Bhd. (“IKHLAS”).

CALENDER OF EVENTS

a) Post Flood Programme - Donation of 300 units stoves at Kg Pasir Baru



b) Seacera Annual Family Gathering 2022



c) Qaseh Ramadhan Programme 2022



d) Persatuan Pengguna Islam Malaysia (PPIM) Exhibition 2022

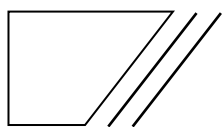


e) Seacera Aidilfitri Open House 2022



f) Seacera Donation Programme 2022





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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is trading of building materials. The principal activities of the subsidiaries are set out in Note 12 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the year	<u>6,619,778</u>	<u>7,677,809</u>
Profit attributable to: Equity holders of the Company	<u>6,619,778</u>	<u>7,677,809</u>

DIVIDENDS

There were no dividends proposed, declared or paid by the Company during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

During the financial year, the Company has issued the following new shares:

Date of issue	Class of shares	No. of shares issued	Issue Price RM	Consideration RM	Purpose
1-Sep-2021	Ordinary shares	120,431,000	0.156	18,787,236	Funding for trading building materials business, working capital and expenses for the proposal

DIRECTORS' REPORT

(continued)

SHARE CAPITAL AND DEBENTURES (CONT'D)

During the financial year, the Company has issued the following new shares: (Cont'd)

Date of issue	Class of shares	No. of shares issued	Issue Price RM	Consideration RM	Purpose
22-Dec-2021	Ordinary shares	20,000,000	0.190	3,800,000	Working capital

The new shares issued during the financial year ranked paripassu in all respects with the existing ordinary shares of the Company.

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

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia. As at 30 June 2022, the Group and the Company held 306,000 treasury shares at a carrying amount of RM180,495. Further details are disclosed in Note 21 to the financial statements.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company other than the issue of options pursuant to the Employee's Share Option Scheme ("ESOS").

The options offered for the subscription of unissued ordinary shares and the respective exercise prices are as follows:

Grant date	Exercise price	Number of option over ordinary shares				At 30 June 2022
		At 1 July 2021	Granted	Exercised	Forfeited	
22-Dec-21	RM0.19	-	90,323,000	(20,000,000)	(70,323,000)	-

DIRECTORS' REPORT

(continued)

DIRECTORS

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

Nicholas Wong Yew Khid*
 Chua Yeong Lin
 Dato' Seri Abdul Azim Bin Mohd Zabidi*
 Shi'aratul Akmar Binti Sahari*

* Directors of the Company and certain subsidiaries

The Directors of the subsidiary companies of the Company who held office during the financial year and up to the date of this report, not including those Directors listed above are:

Zulkarnin bin Ariffin
 Mohd Amir bin Abdullah
 Norbatiah binti Zulkarnai
 Nur 'Afiqah binti Hamzah
 Rofida binti Ariffin

DIRECTORS' INTEREST

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

Interests in the Company:

	Number of ordinary shares		
	At 1 July 2021	Bought Sold	At 30 June 2022
Direct interests:			
Nicholas Wong Yew Khid	-	20,000,000	- 20,000,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' REPORT

(continued)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable, by the Directors as disclosed in Note 10 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the Directors or past Directors of the Company comprising remunerations received/receivable from the Company and its subsidiaries during the financial year are as follows:

	Group	Company
	2022	2022
	RM	RM
Fees	<u>215,925</u>	<u>155,925</u>

The estimated money value of other benefits received or receivable by the Directors otherwise in cash from the Company or any of its subsidiaries during the financial year is RM Nil (2021: RM4,000).

No payment has been paid to or payable to any third party in respect of the services provided to the Company or any of its subsidiaries by the Directors or past Directors of the Company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance effected for, during or since the end of the financial year, for any person who is or has been the Directors, officer and auditors of the Company.

DIRECTORS' REPORT

(continued)

OTHER STATUTORY INFORMATION

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

- a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for expected credit losses and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for expected credit losses; and
- b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

- a) which would render the amount written off for bad debts or the amount of the allowance for expected credit losses inadequate to any substantial extent in the financial statements of the Group and of the Company; or
- b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT

(continued)

OTHER STATUTORY INFORMATION (CONT'D)

No contingent or other liability has become enforceable, or is likely to become enforceable within the period after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

The Directors state that:

- a) The results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- b) No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	Group	Company
	2022	2022
	RM	RM
Statutory audit	<u><u>130,500</u></u>	<u><u>45,000</u></u>

DIRECTORS' REPORT

(continued)

Approved by the Board and signed on behalf of the Directors,

NICHOLAS WONG YEW KHID
Director

CHUA YEONG LIN
Director

Selangor, Malaysia

Dated: 19 October 2022

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES, ACT 2016

We, **NICHOLAS WONG YEW KHID** and **CHUA YEONG LIN**, being two of the Directors of SEACERA GROUP BERHAD, do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the 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 2022 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 Directors.

NICHOLAS WONG YEW KHID
Director

CHUA YEONG LIN
Director

Selangor, Malaysia

Dated: 19 October 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES, ACT 2016

I, **ZULKARNIN BIN ARIFFIN**, being the Officer primarily responsible for the financial management of SEACERA GROUP BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are 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 ZULKARNIN BIN ARIFFIN)
 at Batu Caves in the state of)
 Selangor Darul Ehsan on 19 October 2022)

ZULKARNIN BIN ARIFFIN
 MIA Membership Number: 16942

Before me,

NOOR HANANI BINTI MUSA
 BCN 1168
 Commissioner for Oaths
 Batu Caves, Selangor



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEACERA GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Seacera Group Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on accompanying pages.

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 2022, and of their financial performance and their cash flows for the year then ended in accordance with the 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 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEACERA GROUP BERHAD (*continued*)

Key Audit Matters (Cont'd)

No	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p>Material litigations</p> <p>As at 30 June 2022, the Group is involved with a number of on-going material litigations against various financial institutions and creditors in relation to default payment on the facilities from the financial institutions and amount owing to the creditors.</p> <p>The Directors have evaluated each legal claim, taking into consideration the assessment and advice of external solicitors and have taken a position that all such legal claims will be contested.</p> <p>The cumulative exposure at 30 June 2022 is material to the consolidated financial statements and the key judgments as to whether the Group are more likely than not to be successful in contesting these claims are highly subjective.</p> <p>However, significant amounts of claims by the plaintiffs are relating to the present obligation as a result of past events which mainly arose from the facilities obtained from the financial institutions and amounts owing to the creditors.</p> <p>We focused on this area because of its magnitude and significant degree of judgement involved in determining the amounts of liabilities or contingent liabilities are recognised and disclosed in the financial statements.</p> <p>Please refer to Note 34 to the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We obtained listing of ongoing legal claims from the Group and have ascertained the completeness of the listing by performing various procedures which include, reviewing the minutes of meetings of the board of directors and audit committees to discuss developments in legal proceedings; • We reviewed the status of individual cases, along with the developments of the cases during the financial year and gained an understanding of managements' and the Directors' assessments of the likelihood of success in defending the individual legal claims; • We reviewed legal correspondences and obtained confirmations from the Group's external solicitors in order to consider the completeness of the liabilities recognised and adequacy of the disclosures made in the financial statements. • We have assessed the adequacy of the disclosure in the financial statements in accordance with the requirements of MFRS137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEACERA GROUP BERHAD (*continued*)

Key Audit Matters (Cont'd)

No	Key Audit Matter	How our audit addressed the Key Audit Matter
2.	<p>Valuation of freehold land</p> <p>As stated in Note 2 (c) the Group adopted revaluation model for its freehold land which is classified as property, plant and equipment. As at 30 June 2022, the Group's freehold land carried at revalued amount RM786,431,054, representing 92% of the total assets of the Group.</p> <p>The Group's freehold land were revalued as at 30 June 2022 by an independent professional qualified valuer (the "Valuer").</p> <p>We identified the valuation of this freehold land as a key audit matter due to the significance of this property in the context of the Group's consolidated financial statements as a whole and because significant judgements are involved in determining the inputs used in the valuation.</p> <p>The Group's accounting policies and disclosures on the freehold land are disclosed in Note 2(c) and Note 11 to the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We considered the objectivity, independence and expertise of the Valuer; • We obtained understanding of the methodology adopted by the Valuer in arriving the fair value of the freehold land and assessed whether such methodology is consistent with those used in the industry; • We discussed with the Valuer to obtain an understanding of the property data used, we assessed the key assumptions and estimates made by the Valuer for the key input used in the valuation techniques; and • We assess the adequacy of the disclosures on the valuation of the freehold land in accordance with MFRS116 <i>Property, Plant and Equipment</i> and MFRS13 <i>Fair Value Measurement</i>.

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 Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEACERA GROUP BERHAD (*continued*)

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

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.

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.

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 that give a true and fair view in accordance with the 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEACERA GROUP BERHAD (*continued*)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEACERA GROUP BERHAD (*continued*)

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, related safeguards.

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

Other matters

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

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS

AHMAD ALJAFREE BIN MOHD RAZALLI
NO. 01768/05/2023 (J)
CHARTERED ACCOUNTANT

Dated: 19 October 2022

Selangor, Malaysia

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
		2022	Restated 2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	4	70,302,234	4,448,791	62,847,320	2,397,308
Cost of sales	5	<u>(61,505,239)</u>	<u>(2,119,444)</u>	<u>(55,385,114)</u>	<u>(1,079,969)</u>
Gross profit		8,796,995	2,329,347	7,462,206	1,317,339
Other operating income		4,245,130	15,297,340	4,004,313	15,151,904
Administrative expenses		<u>(4,646,768)</u>	<u>(7,400,019)</u>	<u>(2,306,022)</u>	<u>(2,126,252)</u>
Operating profit		8,395,357	10,226,668	9,160,497	14,342,991
Finance costs	6	<u>(1,500,734)</u>	<u>(4,091,599)</u>	<u>(1,478,500)</u>	<u>(4,068,680)</u>
Profit before tax	7	6,894,623	6,135,069	7,681,997	10,274,311
Taxation	8	<u>(274,845)</u>	<u>(19,924)</u>	<u>(4,188)</u>	<u>(4,180)</u>
Net profit for the year		6,619,778	6,115,145	7,677,809	10,270,131
Other comprehensive income/(loss), net of tax:					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
- Realisation of revaluation reserve on disposal of property, plant and equipment		-	(6,327,385)	-	-
- Revaluation of property, plant and equipment		<u>332,059</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>6,951,837</u>	<u>(212,240)</u>	<u>7,677,809</u>	<u>10,270,131</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 *(continued)*

	Note	Group		Company	
		2022	Restated 2021	2022	2021
		RM	RM	RM	RM
Profit for the year attributable to:					
Equity holders of the Company		<u>6,619,778</u>	<u>6,115,145</u>	<u>7,677,809</u>	<u>10,270,131</u>
		<u>6,619,778</u>	<u>6,115,145</u>	<u>7,677,809</u>	<u>10,270,131</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>6,951,837</u>	<u>(212,240)</u>	<u>7,677,809</u>	<u>10,270,131</u>
		<u>6,951,837</u>	<u>(212,240)</u>	<u>7,677,809</u>	<u>10,270,131</u>
Basic earnings per ordinary share (sen)	9	<u>1.12</u>	<u>1.27</u>		
Diluted earnings per ordinary share (sen)	9	<u>1.12</u>	<u>1.27</u>		

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

			Group	
		30.6.2022	Restated	Restated
	Note	RM	30.6.2021	1.7.2020
			RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment				
equipment	11	786,818,471	793,565,697	834,395,702
Right-of-use assets	14	232,445	205,511	618,736
Inventories	15	9,790,000	-	-
Total non-current assets		796,840,916	793,771,208	835,014,438
Current assets				
Inventories	15	426,558	274,689	376,196
Trade and other receivables	16	49,520,585	50,775,821	37,047,354
Tax recoverable		86,876	60,202	69,413
Cash and bank balances	17	2,044,059	6,964,029	79,980
		52,078,078	58,074,741	37,572,943
Asset classified as held for sale	18	9,045,425	-	-
Total current assets		61,123,503	58,074,741	37,572,943
TOTAL ASSETS		857,964,419	851,845,949	872,587,381
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital	19	421,460,208	398,872,972	398,871,572
Redeemable convertible preference shares		-	-	161,632,017
Reserves	20	286,325,700	279,373,863	98,640,334
Treasury shares	21	(180,945)	(180,945)	(180,945)
TOTAL EQUITY		707,604,963	678,065,890	658,962,978

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022 (continued)

			Group	
		30.6.2022	Restated 30.6.2021	Restated 1.7.2020
	Note	RM	RM	RM
Non-current liabilities				
Lease liabilities	24	17,669	95,479	339,089
Provision for retirement benefits	25	298,334	260,867	308,702
Deferred tax liabilities	26	52,860,376	52,764,357	52,764,356
Long term liabilities	27	38,500,000	62,907,798	12,642,017
Total non-current liabilities		91,676,379	116,028,501	66,054,164
Current liabilities				
Trade and other payables	27	57,585,260	44,182,468	122,095,698
Tax payable		854,026	721,631	1,004,143
Lease liabilities	24	243,791	127,614	285,512
Loans and borrowings	23	-	12,719,845	24,184,886
Total current liabilities		58,683,077	57,751,558	147,570,239
Total liabilities		150,359,456	173,780,059	213,624,403
TOTAL EQUITY AND LIABILITIES		857,964,419	851,845,949	872,587,381

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

			Company	
		30.6.2022	Restated 30.6.2021	Restated 1.7.2020
	Note	RM	RM	RM
ASSETS				
Non-current assets				
Property, plant and equipment	11	41,372	11	40,522
Investment in subsidiaries	12	323,432,270	272,031,270	272,031,270
Right-of-use assets	14	63,875	-	-
Deferred tax assets	26	5,840,836	5,840,836	5,840,836
Total non-current assets		329,378,353	277,872,117	277,912,628
Current assets				
Inventories		-	-	55,838
Trade and other receivables	16	111,183,561	85,986,803	86,433,447
Cash and bank balances	17	1,649,692	3,359	30,562
Total current assets		112,833,253	85,990,162	86,519,847
TOTAL ASSETS		442,211,606	363,862,279	364,432,475
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	19	421,460,208	398,872,972	398,871,572
Reserves	20	(102,114,031)	(109,791,840)	(120,061,971)
Treasury shares	21	(180,945)	(180,945)	(180,945)
Total equity attributable to shareholders of the Company		319,165,232	288,900,187	278,628,656
Total equity		319,165,232	288,900,187	278,628,656
Non-current liabilities				
Lease liability	24	17,669	-	-
Long term liabilities	27	24,000,000	-	-
Total non-current liabilities		24,017,669	-	-
Current liabilities				
Trade and other payables	27	98,257,248	61,520,616	72,435,039
Tax payable		721,631	721,631	716,268
Lease liability	24	49,826	-	-
Loans and borrowings	23	-	12,719,845	12,652,512
Total current liabilities		99,028,705	74,962,092	85,803,819
Total liabilities		123,046,374	74,962,092	85,803,819
TOTAL EQUITY AND LIABILITIES		442,211,606	363,862,279	364,432,475

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Group	<----- Attributable to equity holders of the Company ----->				
	Share capital	Redeemable preference shares	Total reserves	Treasury shares	Total equity
Note	RM	RM	RM	RM	RM
As at 1 July 2020 (As previously reported)	398,871,572	161,632,017	103,450,925	(180,945)	663,773,569
Effect of prior year adjustments	-	-	(4,810,591)	-	(4,810,591)
As at 1 July 2020 (Restated)	398,871,572	161,632,017	98,640,334	(180,945)	658,962,978
Issuance of shares	1,400	-	-	-	1,400
Profit for the financial year (Restated)	-	-	6,115,145	-	6,115,145
Reversal of RCPS during the year	-	(161,632,017)	174,618,384	-	12,986,367
As at 30 June 2021 (Restated)	398,872,972	-	279,373,863	(180,945)	678,065,890
As at 1 July 2021	398,872,972	-	279,373,863	(180,945)	678,065,890
Issuance of shares	22,587,236	-	-	-	22,587,236
Profit for the financial year	-	-	6,619,778	-	6,619,778
Other comprehensive income	-	-	332,059	-	332,059
As at 30 June 2022	421,460,208	-	286,325,700	(180,945)	707,604,963

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Company	Note	<----- Attributable to equity holders of the Company ----->			Total equity RM
		Share capital RM	<i>Distributable</i> Retained profit RM	Treasury shares RM	
As at 1 July 2020 (As previously reported)		398,871,572	(142,116,971)	(180,945)	256,573,656
Effect of prior year adjustment	36	-	22,055,000	-	22,055,000
As at 1 July 2020 (Restated)		398,871,572	(120,061,971)	(180,945)	278,628,656
Issuance of shares	19	1,400	-	-	1,400
Profit for the financial year		-	10,270,131	-	10,270,131
As at 30 June 2021		<u>398,872,972</u>	<u>(109,791,840)</u>	<u>(180,945)</u>	<u>288,900,187</u>
As at 1 July 2021		398,872,972	(109,791,840)	(180,945)	288,900,187
Issuance of shares	19	22,587,236	-	-	22,587,236
Profit for the financial year		-	7,677,809	-	7,677,809
As at 30 June 2022		<u>421,460,208</u>	<u>(102,114,031)</u>	<u>(180,945)</u>	<u>319,165,232</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group		Company	
		2022	Restated 2021	2022	2021
		RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		6,894,623	6,135,069	7,681,997	10,274,311
Adjustments for:					
Bad debt written off		10,400	1,044,619	10,400	759,368
Provision for retirement benefit during the year		37,467	-	-	-
Reversal of provision retirement benefits		-	(47,835)	-	-
Property, plant and equipment					
- Depreciation		96,413	279,261	4,640	40,511
- Written off		6,001,374	345,683	-	-
- Deconsolidation		-	30,104,402	-	-
Right-of-use asset					
- Depreciation		140,840	112,044	31,937	-
- Written off		-	317,555	-	-
Gain on disposal of property, plant and equipment		-	(52,747)	-	-
Reversal of accrued interest		(3,682,441)	(6,494,454)	(3,682,441)	(6,494,454)
Inventories written down		-	799,533	-	-
Trade and other receivables					
- Impairment loss		91,006	966,459	-	907,374
- Reversal of impairment loss		(404,340)	(36,254)	(345,255)	-
Finance costs		1,500,734	4,091,599	1,478,500	4,068,680
Operating profit before working capital changes		10,686,076	37,564,934	5,179,778	9,555,790
<i>Changes in working capital</i>					
Inventories		1,558,131	(698,026)	-	55,838
Trade and other receivables		(1,162,623)	(16,020,845)	(19,611,461)	(312,724)
Trade and other payables		(6,952,007)	(14,694,798)	64,419,073	(5,390,452)
Cash flows generated from operations		4,129,577	6,151,265	49,987,390	3,908,452
Finance costs		(1,479,091)	(4,075,061)	(1,473,067)	(4,068,680)
Tax paid		(199,389)	(19,924)	(4,188)	(3,040)
Net cash generated from/ (used in) operating activities		2,451,097	2,056,280	48,510,135	(163,268)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

		Group		Company	
		2022	Restated 2021	2022	2021
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Purchase of property, plant and equipment		(336,966)	(346,594)	(46,001)	-
Purchase of land held for development		(11,500,000)	-	-	-
Proceed from disposal of property, plant and equipment		-	10,500,000	-	-
Increase in investment in subsidiary		-	-	(51,401,000)	-
Net cash (used in)/generated from investing activities		(11,836,966)	10,153,406	(51,447,001)	-
Cash flows from financing activities					
Proceeds from issuance of new shares		22,587,236	1,400	22,587,236	1,400
Net repayment of overdraft facility		(5,250,442)	67,333	(5,250,442)	67,333
Repayment of term loans	(a)	(1,362,409)	-	(1,362,409)	-
Repayment of hire purchase liabilities	(a)	(1,286,694)	-	(1,286,694)	-
Repayment of banker's acceptance	(a)	(4,820,300)	-	(4,820,300)	-
Repayment of lease liabilities	(a)	(151,050)	(116,865)	(33,750)	-
Net cash generated from/ (used in) financing activities		9,716,341	(48,132)	9,833,641	68,733
Net increase/(decrease) in cash and cash equivalent		330,472	12,161,554	6,896,775	(94,535)
Cash and cash equivalents at beginning of year		1,713,587	(10,447,967)	(5,247,083)	(5,152,548)
Cash and cash equivalents at end of year	17	2,044,059	1,713,587	1,649,692	(5,247,083)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

(a) Reconciliation of liabilities arising from financing activities excluding bank overdrafts are as follows:

Group	1.7.2021 RM	Cash flows RM	Non-cash Acquisition RM	30.6.2022 RM
Term loans	1,362,409	(1,362,409)	-	-
Hire purchase liabilities	1,286,694	(1,286,694)	-	-
Banker's acceptance	4,820,300	(4,820,300)	-	-
Lease liabilities	223,093	(151,050)	189,417	261,460
	<u>7,692,496</u>	<u>(7,620,453)</u>	<u>189,417</u>	<u>261,460</u>

Group	1.7.2020 RM	Cash flows RM	Non-cash Acquisition/ (Write-off) RM	30.6.2021 RM
Term loans	1,362,409	-	-	1,362,409
Hire purchase liabilities	1,286,694	-	-	1,286,694
Banker's acceptance	4,820,300	-	-	4,820,300
Lease liabilities	624,601	(116,865)	(284,643)	223,093
	<u>8,094,004</u>	<u>(116,865)</u>	<u>(284,643)</u>	<u>7,692,496</u>

Company	1.7.2021 RM	Cash flows RM	Non-cash Acquisition RM	30.6.2022 RM
Term loans	1,362,409	(1,362,409)	-	-
Hire purchase liabilities	1,286,694	(1,286,694)	-	-
Banker's acceptance	4,820,300	(4,820,300)	-	-
Lease liabilities	-	(33,750)	101,245	67,495
	<u>7,469,403</u>	<u>(7,503,153)</u>	<u>101,245</u>	<u>67,495</u>

Company	1.7.2020 RM	Cash flows RM	Non-cash Acquisition RM	30.6.2021 RM
Term loans	1,362,409	-	-	1,362,409
Hire purchase liabilities	1,286,694	-	-	1,286,694
Banker's acceptance	4,820,300	-	-	4,820,300
	<u>7,469,403</u>	<u>-</u>	<u>-</u>	<u>7,469,403</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. CORPORATE INFORMATION

Seacera Group Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office of the Company is located at A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur and the principal place of office of the Company is located at DF2-11-01 (Unit 1), Level 11, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is trading of building materials. The principal activities of the subsidiaries are set out in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 October 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation of financial statements (Cont'd)

Going concern assumptions

Notwithstanding the Company had triggered the prescribed criteria under Paragraph 2.1(f) of Practice Note 17 ("PN17") on 18 April 2019, the Group and the Company have shown an improving financial performance with a profit after tax of RM6,619,778 and RM7,677,809 respectively, for the financial year ended 30 June 2022.

In compliance with paragraph 8.04(3) of the Listing Requirements, the Company is required to submit the Regularisation Plan to the relevant authorities. The deadline of the submission of the regularisation plan was initially on 25 April 2020 but has been granted extension of time ("EOT") by Bursa Malaysia Securities Berhad ("Bursa") for several times.

On 20 May 2022, the Company had appointed Mercury Securities Sdn. Bhd. ("Mercury Securities") as an adviser to assist the Company in formulating the scheme for the Proposed Regularisation Plan and the submission of an application to Bursa.

The latest EOT has been granted on 9 June 2022 and the Company is required to submit the regularisation plan before 25 October 2022.

The Company is in the midst of preparing the application to further extend the submission of regularisation plan to Bursa pursuant to the Paragraph 8.04(3) of the Listing Requirements.

The Group will:

- (i) Continue to grow its trading of building materials by expanding its customer base.
- (ii) Continue to grow its trading of food and beverages by focusing on Bumiputra manufactured products at affordable prices, and the availability of delivery services. SeaceraMart Sdn. Bhd. is also in the process of implementing online shopping to reach a wider customer base.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation of financial statements (Cont'd)

Going concern assumptions (Cont'd)

The Group will: (cont'd)

- (iii) Continue to grow its trading of personal protective equipment ("PPE") products by continuing to tender for supply of PPE products to hospitals, government bodies and private entities. The Group will also continue to market its PPE products via SeaceraMart, government bodies, and private entities.
- (iv) Develop its 501 acres of land in Semenyih, Selangor. The development is expected to commence in July 2024 subject to receipt of all the necessary approvals/consents.
- (v) Develop its 30 acres of land in Kuantan, Pahang. The development is expected to commence in 2023 subject to receipt of all the necessary approvals/consents.

The ability of the Group and of the Company to continue as a going concern is dependent on the successful implementation and favourable outcome of the ongoing plans as highlighted above, including the completion of the proposed regularisation plan as well as the successful implementation of the revised business plan.

The Directors believe that the proposals once formulated and implemented, will enable the Group and the Company to generate sufficient cash flows to meet their obligations when due.

The Directors concluded that the formulation of strategies and plans, and implementation of the actions mentioned above, has indicated the ability of the Group and of the Company to continue as going concern.

At this juncture, the Directors are of the opinion that the Group and the Company will be able to continue in operational existence for the foreseeable future and to realise their assets and settle their liabilities in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation of financial statements (Cont'd)

Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendment/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRSs	Annual Improvement to MFRSs 2018-2020 Cycle

The adoption of the above amendments/improvements to MFRSs did not have significant effect on the financial position and performance of the Group and of the Company.

New MFRS and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective date
New MFRS		
MFRS 17	Insurance Contracts *	1 January 2023
Amendments to MFRS		
MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information *	1 January 2023
MFRS 101	Classification of Liabilities as Current or Non-current & Disclosure of Accounting Policies *	1 January 2023
MFRS 108	Definition of Accounting Estimates *	1 January 2023
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction *	1 January 2023
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture #	Deferred

* Effective for annual period beginning on or after 1 January 2023, with earlier application permitted.

Effective date deferred to a date to be determined and announced, with earlier application permitted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(i) *Subsidiaries*

Subsidiaries are entities, including unincorporated entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). The cost of investments includes transaction costs.

(ii) *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 acquisitions on or after 1 January 2011, the Group measures the cost of goodwill at the acquisitions date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquire; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(b) Basis of consolidation (Cont'd)

(ii) *Business Combination (Cont'd)*

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or at the appropriate 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.

(iii) *Changes in Group composition*

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of profit or loss and other comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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 reserves.

(iv) *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 gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

(i) *Recognition and measurement*

Property, plant and equipment (other than land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(g).

Freehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(i) *Recognition and measurement (Cont'd)*

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on a fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment, is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold land	99 years
Freehold buildings/Leasehold buildings	40 - 50 years
Motor vehicles	5 - 10 years
Plant and machinery	5 - 10 years
Fixtures, fittings and equipment	5 - 10 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

(d) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases

(i) *Definition of lease*

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(ii) *Lessee accounting*

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use as separate lines in the financial statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

(ii) *Lessee accounting (Cont'd)*

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed lease payments.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “administrative expenses” in the statements of profit or loss and other comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

(ii) *Lessee accounting (Cont'd)*

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(iii) *Lessor accounting*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

If the Group and the Company are lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Foreign currency

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, the currency of the primary economic environment in which the entities operate (its functional currency). The consolidated financial statements of the Group are presented in Ringgit Malaysia, which is also the functional currency.

(ii) *Foreign Currency Transactions*

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Group's and the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the statements of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For such non-monetary items, any exchange difference component of that gain or loss is also recognised directly in equity.

The principal closing rates used in translation of foreign currency amount are as follows:

	2022	2021
	RM	RM
1 US Dollar	4.702	4.154
1 Singapore Dollar	3.283	3.090
1 Australian Dollar	3.076	3.125
1 Euro	4.627	4.944

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and non-current assets or disposal groups classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets (Cont'd)

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal 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.

An impairment loss recognised in prior periods for an asset, other than goodwill, is reversed if there has been a change in the estimate used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

(h) Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(i) *Subsequent measurement*

The Group and the Company categorise the financial instruments as follows:

(i) *Financial assets*

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

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

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when, and only when, their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(i) *Subsequent measurement (Cont'd)*

(i) *Financial assets (Cont'd)*

Debt instruments (Cont'd)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and the Company classify their debt instruments: (Cont'd)

- **Fair value through profit or loss ("FVPL")**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

(ii) *Financial liabilities*

The Group and the Company classify their financial liabilities in the following measurement categories:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(i) *Subsequent measurement (Cont'd)*

(ii) *Financial liabilities*

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition if, and only if, the criteria in MFRS 9 Financial Instruments are satisfied. The Group and the Company have not designated any financial liability at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(ii) *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 it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(iii) *Derecognition*

A financial asset or a part of it is derecognised when, and only when:

- the contractual rights to receive cash flows from the financial asset expire, 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; 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.

The Group and the Company 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.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(iv) *Offsetting of financial instruments*

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

(i) Impairment of financial assets

Financial assets measured at amortised cost, lease receivables, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance as follows:

(i) General 3-stage approach for other receivables, fixed deposits and bank balances

At each reporting date, the Group and the Company measure loss allowance at an amount equal to credit losses that result from default events that are possible within the next 12-months ("12-month ECL") if credit risk on a financial instrument has not increased significantly since initial recognition.

For other financial instruments, a loss allowance at an amount equal to credit losses over the remaining life of the exposure ("lifetime ECL") is required.

(ii) Simplified approach for trade receivables, contract assets and lease receivables

The Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime ECL at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (Cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, 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.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (Cont'd)

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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 that financial asset have occurred. Evidence that a financial asset is credit-impaired may include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) 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 source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. 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 procedure for recovery of amounts due.

(j) Inventories

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

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriated share of production overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories (Cont'd)

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

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. Cost includes cost of land and attributable development expenditures.

Land held for development will be reclassified to property under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks including repurchase agreements and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal groups are measured at the lower of carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Non-current assets or disposal groups held for sale (Cont'd)

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Property, plant and equipment once classified as held for sale are not depreciated.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

(m) Share capital

(i) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(ii) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits

(i) *Short term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group and the Company have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's and the Company's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(ii) *Defined benefits plans*

The Group and the Company's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted.

The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's and the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a benefit to the Group and the Company, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group and the Company. An economic benefit is available to the Group and the Company if it is realisable during the life of the plan, or any other settlement of the plan liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits (Cont'd)

(ii) *Defined benefits plans (Cont'd)*

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group and the Company recognises all actuarial gains or losses arising from defined benefit plans in other comprehensive income.

(iii) *Share-based payment transactions*

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

The fair value of employee stock options is measured using a binomial lattice model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of a time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition

(i) *Goods sold*

Revenue from the sales of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discount and volume rebates. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) *Services*

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

(iii) *Interest income*

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(q) 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 method.

Borrowing costs directly attributable to take 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is 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 on the taxable income 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 statement of financial position and their tax bases.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to apply 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.

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(s) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intra group balances and intra group transactions are eliminated as part of the consolidation process, except to the extent that such intra group balances and transactions are between group enterprises within a single segment.

(u) Fair value measurement

Fair value of an asset or a liability is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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 participants that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

a) Judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(i) Financial guarantee contracts

Financial guarantee contracts relate to a corporate guarantee provided by the Group and the Company for the financing facilities granted to a subsidiary.

The Group and the Company assume that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligation to the bank in full; or
- The subsidiaries are continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determine the probability of default of the guaranteed loan individually using internal information available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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) Estimated useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Group's and the Company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten the depreciation charges in the financial statement would increase and carrying amounts of property, plant and equipment would reduce accordingly. The carrying amount of property, plant and equipment by each class is included in Note 2 (c) (iii).

(ii) Impairment of receivables

As at 30 June 2022, the Group's and the Company's trade receivables are grouped based on shared credit risk characteristics and days past due, with expected loss rates assessed based on the Group's and the Company's historical credit loss experience.

The Group and the Company further evaluate the expected credit loss ('ECL') on customers on case-by-case basis, which may be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments.

The Group's and the Company's credit risk exposure for trade receivables are set out in Note 30.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

b) Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of investments in subsidiaries

The Company assesses whether there is any indication that an investment in subsidiaries may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amounts and estimated recoverable amounts of the investments.

Judgements made by management in the process of applying the Company's accounting policies in respect of investments in subsidiaries are as follows:

The Company determines whether its investments are impaired following certain indications of impairment such as amongst others shortfall between Company's cost of investment and share of net assets, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment; and depending on their nature and the location in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or revised net assets value.

Once a suitable method of valuation is selected, management makes certain key assumptions concerning the future to estimate the recoverable amount of the specific individual investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, terminal value, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks and expected future outcome based on certain past trends.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

b) Key sources of estimation uncertainty (Cont'd)

(iv) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which all deductible temporary differences, unused tax losses and unused tax credits can be utilised. Management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

(v) Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

The Group's material litigations are as shown in Note 34 to the financial statements.

(vi) Revaluation of freehold land

The Group measures its freehold land at revalued amount with changes in fair value being recognised in other comprehensive income. The Group engaged an independent professional valuer to assess fair value as at 30 June 2022 for revalued freehold land. The valuation applies estimates, judgements and assumptions in the determination of fair values.

The carrying amount of freehold land of the Group is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

4. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trading of:				
- food and beverages and personal protective equipments	4,189,914	3,264,037	-	1,221,899
- building materials and tiles	62,612,320	1,184,754	62,847,320	1,175,409
Property development	3,500,000	-	-	-
	<u>70,302,234</u>	<u>4,448,791</u>	<u>62,847,320</u>	<u>2,397,308</u>
Timing of revenue recognition:				
- Transferred at a point in time	70,302,234	4,448,791	62,847,320	2,397,308
	<u>70,302,234</u>	<u>4,448,791</u>	<u>62,847,320</u>	<u>2,397,308</u>

5. COST OF SALES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trading of:				
- food and beverages and personal protective equipments	3,882,325	1,998,281	-	958,806
- building materials and tiles	55,385,114	121,163	55,385,114	121,163
Property development	2,237,800	-	-	-
	<u>61,505,239</u>	<u>2,119,444</u>	<u>55,385,114</u>	<u>1,079,969</u>

6. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Term loans	-	103,346	-	103,346
Bankers' acceptances	271,714	2,074,663	271,714	2,074,663
Hire purchase liabilities	-	91,375	-	91,375
Bank overdraft	1,153,140	1,797,178	1,153,140	1,797,178
Others	75,880	25,037	53,646	2,118
	<u>1,500,734</u>	<u>4,091,599</u>	<u>1,478,500</u>	<u>4,068,680</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

7. PROFIT BEFORE TAX

Profit before tax is arrived after charging/(crediting) the following items:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Auditors' remuneration	130,500	120,000	45,000	40,000
Bad debts written off	10,400	1,044,619	10,400	759,368
Property, plant and equipment				
- Depreciation	96,413	279,261	4,640	40,511
- Written off	6,001,374	345,683	-	-
- Gain on disposal	-	(52,747)	-	-
Right-of-use assets				
- Depreciation	140,840	112,044	31,937	-
- Written off	-	317,555	-	-
Trade and other receivables				
- Impairment loss (Note 16)	91,006	966,459	-	907,374
- Reversal of impairment loss (Note 16)	(404,340)	(36,254)	(345,255)	-
Reversal of accrued interest	(3,682,441)	(6,494,454)	(3,682,441)	(6,494,454)
Inventories written down	-	799,533	-	-
Directors' remunerations (Note 10)				
- Fees	215,925	198,594	155,925	136,594
- Remuneration	-	241,548	-	-
- Other emoluments	-	4,000	-	4,000
Employee benefits				
- Contribution to EPF	120,065	108,433	19,798	-
- Wages, salaries and others	1,084,347	974,657	168,392	-
- Provision/(reversal) of retirement benefits (Note 25)	37,467	(47,835)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

8. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Taxation based on profit before tax for the financial year:				
Malaysian income tax	283,687	19,924	4,188	4,180
Over provision in prior year:				
Deferred taxation	(8,842)	-	-	-
	<u>274,845</u>	<u>19,924</u>	<u>4,188</u>	<u>4,180</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable results for the year.

The reconciliations of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit before tax	<u>6,894,623</u>	<u>6,135,069</u>	<u>7,681,997</u>	<u>10,274,311</u>
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	1,654,710	1,472,417	1,843,679	2,465,835
Tax effects on:				
Income not subject to tax	(882,831)	(1,558,657)	(882,831)	(1,558,657)
Expenses not deductible for tax purposes	853,547	1,461,250	198,543	452,088
Utilisation of previously unabsorbed capital allowances	(1,441,878)	(1,355,086)	(1,275,648)	(1,355,086)
Deferred tax asset not recognised	120,445	-	120,445	-
Over provision of tax expense in prior year	(20,306)	-	-	-
Over provision of deferred tax in prior year	(8,842)	-	-	-
Taxation for the year	<u>274,845</u>	<u>19,924</u>	<u>4,188</u>	<u>4,180</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

9. EARNINGS PER SHARE

a) Basic earnings per share

Basic earnings per share is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year, adjusted for treasury shares held.

	2022 RM	Group 2021 RM
Profit attributable to owners of the Company	<u>6,619,778</u>	<u>6,115,145</u>
Weighted average number of ordinary shares for basic earnings per share	<u>590,816,949</u>	<u>481,418,428</u>
Basic earnings per ordinary share (sen)	<u>1.12</u>	<u>1.27</u>

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

b) Diluted earnings per share

	2022 RM	Group 2021 RM
Profit attributable to owners of the Company	<u>6,619,778</u>	<u>6,115,145</u>
Weighted average number of ordinary shares for basic earnings per share	<u>590,816,949</u>	<u>481,418,428</u>
Basic earnings per ordinary share (sen)	<u>1.12</u>	<u>1.27</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

10. KEY MANAGEMENT PERSONNELS' COMPENSATION

The key management personnels' compensations are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Directors				
Fees	215,925	198,594	155,925	136,594
Remuneration	-	241,548	-	-
Other short term employees' benefits (including estimated monetary value of benefits-in-kind)	-	4,000	-	4,000
Total compensation	215,925	444,142	155,925	140,594
Other key management personnel				
Remuneration	521,595	280,048	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

11. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		Freehold buildings/leasehold buildings		At cost		Total RM
	Freehold land RM	Leasehold land RM	Leasehold buildings RM	Motor vehicles RM	Plant and machinery RM	Fixtures, fittings and equipment RM	
At cost, unless otherwise stated							
As at 1 July 2020 (As previously reported)	766,040,659	28,129,068	33,298,196	1,009,662	1,603,224	-	830,080,809
Effect of prior year adjustments	19,953,488	(7,622,112)	(1,083,679)	-	-	-	11,247,697
As at 1 July 2020 (Restated)	785,994,147	20,506,956	32,214,517	1,009,662	1,603,224	-	841,328,506
Addition	-	235,989	-	-	-	110,605	346,594
Disposal	-	(11,748,000)	-	-	-	-	(11,748,000)
Written off	-	(345,683)	-	-	-	-	(345,683)
Deconsolidation of a subsidiary	-	-	(32,214,515)	(280,311)	-	-	(32,494,826)
As at 30 June 2021 (Restated)	785,994,147	8,649,262	2	729,351	1,603,224	110,605	797,086,591
Addition	-	-	-	108,943	-	228,023	336,966
Adjustment	-	1,695,787	-	-	-	-	1,695,787
Revaluation	436,907	-	-	-	-	-	436,907
Written off	-	(75,049)	-	-	-	-	(75,049)
Transferred to asset classified as held for sale (Note 18)	-	(10,270,000)	-	-	-	-	(10,270,000)
As at 30 June 2022	786,431,054	-	2	838,294	1,603,224	338,628	789,211,202

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	<----- At valuation ----->		<----- At cost ----->				
	Freehold land RM	Leasehold land RM	Freehold buildings/ leasehold buildings RM	Motor vehicles RM	Plant and machinery RM	Fixtures, fittings and equipment RM	Total RM
Accumulated depreciation							
As at 1 July 2020	-	2,250,325	2,110,125	1,003,647	1,568,707	-	6,932,804
Disposal	-	(1,300,747)	-	-	-	-	(1,300,747)
Depreciation charge during the year	-	231,262	-	6,000	34,511	7,488	279,261
Deconsolidation of a subsidiary	-	-	(2,110,123)	(280,301)	-	-	(2,390,424)
As at 30 June 2021	-	1,180,840	2	729,346	1,603,218	7,488	3,520,894
Depreciation charge during the year	-	43,736	-	14,526	-	38,151	96,413
Transferred to asset classified as held for sale (Note 18)	-	(1,224,576)	-	-	-	-	(1,224,576)
As at 30 June 2022	-	-	2	743,872	1,603,218	45,639	2,392,731
Net book value							
As at 1 July 2020 (Restated)	785,994,147	18,256,631	30,104,392	6,015	34,517	-	834,395,702
As at 30 June 2021 (Restated)	785,994,147	7,468,422	-	5	6	103,117	793,565,697
As at 30 June 2022	786,431,054	-	-	94,422	6	292,989	786,818,471

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

During the previous financial year, the Judge has allowed winding up petition against Seacera Ceramics Sdn. Bhd. which resulted in deconsolidation of its property, plant and equipment with net carrying amount of RM30,104,402 from the Group.

Revaluation of freehold land

On 30 June 2022, the freehold land of the Group were revalued by an independent qualified valuer, Laureicap Sdn. Bhd., registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was derived based on the Income Approach method of valuation.

The following table presents the carrying amount of the Group's assets that are measured at fair value as at 30 June 2022 and 2021 respectively:

	Group			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
As at 30 June 2022				
Asset disclosed at fair value:				
Freehold land				
(Note 11)	-	-	786,431,054	786,431,054
As at 30 June 2021				
Asset disclosed at fair value:				
Freehold land				
(Note 11)	-	-	785,994,147	785,994,147
Leasehold land				
(Note 11)	-	-	7,468,422	7,468,422
	-	-	793,462,569	793,462,569

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

The following table shows a reconciliation of Level 3 fair values:

	Group	
	2022	2021
	RM	RM
At 1 July	793,462,569	804,250,778
Addition	-	235,989
Adjustment	1,695,787	-
Depreciation	(43,736)	(231,262)
Disposal	-	(10,447,253)
Write off	(75,049)	(345,683)
Profit recognised in profit or loss:		
Change in fair value	436,907	-
Transfer to assets held for sale (Note 18)	(9,045,424)	-
At 30 June	<u>786,431,054</u>	<u>793,462,569</u>

(i) Valuation techniques

The fair value of freehold land and leasehold land was substantially arrived at via valuations performed by certified external valuers based on the following valuation techniques depending on the location and types of properties:

Income method

Asset	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Freehold land	Income method	Estimated gross development value of RM3.29 billion with estimated gross development costs of RM2.01 billion discounted over 10 years. Discount rate - 12% per annum	The higher the gross development value, the higher the fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM292,031,093 (2021: RM292,031,093).

Company	Motor vehicles RM	Plant and machinery RM	Fixtures, fitting and equipment RM	Total RM
Cost				
As at 1 July 2020/ 30 June 2021	729,351	1,603,225	-	2,332,576
Addition	-	-	46,001	46,001
As at 30 June 2022	729,351	1,603,225	46,001	2,378,577
Accumulated depreciation				
As at 1 July 2020	723,346	1,568,708	-	2,292,054
Depreciation charge during the year	6,000	34,511	-	40,511
As at 30 June 2021	729,346	1,603,219	-	2,332,565
Depreciation charge during the year	-	-	4,640	4,640
As at 30 June 2022	729,346	1,603,219	4,640	2,337,205
Net book value				
As at 30 June 2021	5	6	-	11
As at 30 June 2022	5	6	41,361	41,372

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Shares in unquoted corporations, at cost	272,031,270	272,031,270
Addition during the year	51,401,000	-
	323,432,270	272,031,270

The subsidiaries, which were all incorporated in Malaysia, are as follows:

Name	Principal activities	Effective equity interest	
		2022	2021
SeaceraMart Sdn. Bhd.	Mart operations	100%	100%
Seacera Ceramics Sdn. Bhd.	Commenced winding up proceedings liquidation on September 2020	*	*
Seacera Properties Sdn. Bhd.	Property development activities	100%	100%
Seacera Hias Sdn. Bhd.	General construction and trading activities	100%	100%
Seacera Care Sdn. Bhd.	Trading of personal protective equipment products	100%	100%
Seacera Porcelain Sdn. Bhd.	Trading of tiles	100%	100%
Seacera Builders Sdn. Bhd.	Construction and property development activities	100%	100%
Subsidiary company of Seacera Properties Sdn. Bhd.			
Duta Nilai Holdings Sdn. Bhd.	Property investment holding activities	100%	100%
Subsidiary company of Duta Nilai Holdings Sdn. Bhd.			
Duta Skyline Sdn. Bhd.	Property investment holding activities	100%	100%

- * The Group held 100% direct equity interests in Seacera Ceramics Sdn. Bhd. ("SCSB"). SCSB has been deconsolidated from the Group during the previous financial year as the Group is deemed to have lost control over the subsidiary as a result of liquidation of SCSB.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

13. GOODWILL

Group	Goodwill RM
Cost	
As at 1 July 2021/30 June 2022	<u>2,999,200</u>
Accumulated impairment losses	
As at 1 July 2021/30 June 2022	<u>2,999,200</u>
Carrying amount	
As at 1 July 2021/30 June 2022	<u><u>-</u></u>

The Group has previously recognised goodwill arising from the acquisition of Seacera Hias Sdn. Bhd. and the amount has been fully impaired in previous financial years.

14. RIGHT-OF-USE ASSETS

The Group and the Company have lease contracts for office rental with contract term of 3 years and the lease contracts do not contain variables lease payments.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
As at 1 July	205,511	618,736	-	-
Addition	167,774	317,555	95,812	-
Write off	-	(618,736)	-	-
Depreciation charge during the year	(140,840)	(112,044)	(31,937)	-
As at 30 June	<u>232,445</u>	<u>205,511</u>	<u>63,875</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

14. RIGHT-OF-USE ASSETS (CONT'D)

Set out below are the carrying amount of lease liabilities and the movements during the year:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
As at 1 July	223,093	624,601	-	-
Addition	167,774	-	95,812	-
Written off	-	(301,181)	-	-
Accretion of interest	21,643	16,538	5,433	-
Payments	(151,050)	(116,865)	(33,750)	-
As at 30 June	261,460	223,093	67,495	-

The following are the amounts recognised in profit and loss:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Depreciation charge of right-of-use assets	140,840	112,044	31,937	-
Interest expense on lease liabilities	21,643	16,538	5,433	-
Total amount recognised in profit or loss	162,483	128,582	37,370	-

15. INVENTORIES

	Group	
	2022	2021
	RM	RM
Non-current:		
Land held for development	9,790,000	-
Current:		
Finished goods	426,558	274,689
	10,216,558	274,689
Inventories recognised as cost of sales during the year	6,870,678	1,848,073

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022	Restated 2021	2022	Restated 2021
	Note	RM	RM	RM	RM
Current					
Trade					
Trade receivables	(a)	17,274,127	1,641,336	12,665,069	950,920
Less: Allowance for expected credit losses		(1,054,921)	(1,160,499)	(562,119)	(758,703)
		<u>16,219,206</u>	<u>480,837</u>	<u>12,102,950</u>	<u>192,217</u>
Non-trade					
Amount due from subsidiaries	(b)	-	-	65,365,827	30,670,809
Sundry receivables	(c)	31,857,753	50,369,819	33,192,658	55,272,448
Deposits and prepayments		1,443,626	132,921	522,126	-
Total non-trade		<u>33,301,379</u>	<u>50,502,740</u>	<u>99,080,611</u>	<u>85,943,257</u>
Less: Allowance for expected credit losses		-	(207,756)	-	(148,671)
		<u>33,301,379</u>	<u>50,294,984</u>	<u>99,080,611</u>	<u>85,794,586</u>
Total trade and other receivables		<u>49,520,585</u>	<u>50,775,821</u>	<u>111,183,561</u>	<u>85,986,803</u>

a) Trade receivables

Set out below is the movement in the allowance for expected credit losses of trade receivables (including amount due from subsidiaries – trade in nature):

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
As at 1 July	1,160,499	732,589	758,703	-
Allowance for expected credit losses (Note 7)	91,006	758,703	-	758,703
Reversal of impairment loss (Note 7)	(196,584)	(36,254)	(196,584)	-
Deconsolidation of subsidiary	-	(294,539)	-	-
As at 30 June	<u><u>1,054,921</u></u>	<u><u>1,160,499</u></u>	<u><u>562,119</u></u>	<u><u>758,703</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

16. TRADE AND OTHER RECEIVABLES (CONT'D)

b) Amount due from subsidiaries

Amount due from subsidiaries are unsecured, interest-free and repayable on demand.

c) Sundry receivables

Set out below is the movement in the allowance for expected credit losses of sundry receivables:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
As at 1 July	207,756	1,044,619	148,671	759,368
Allowance for expected credit losses (Note 7)	-	207,756	-	148,671
Reversal of impairment loss (Note 7)	(207,756)	-	(148,671)	-
Written off (Note 7)	-	(1,044,619)	-	(759,368)
As at 30 June	<u>-</u>	<u>207,756</u>	<u>-</u>	<u>148,671</u>

17. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash at bank	2,041,795	1,651,674	1,647,428	1,095
Cash in hand	2,264	2,264	2,264	2,264
Repurchase agreement	-	5,310,091	-	-
Cash and bank balances	<u>2,044,059</u>	<u>6,964,029</u>	<u>1,649,692</u>	<u>3,359</u>
Less:				
Bank overdraft (Note 23)	-	(5,250,442)	-	(5,250,442)
Cash and cash equivalents	<u>2,044,059</u>	<u>1,713,587</u>	<u>1,649,692</u>	<u>(5,247,083)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

18. ASSET CLASSIFIED AS HELD FOR SALE

Group

	Leasehold land RM
Cost	
As at 1 July 2021	-
Reclassification from property, plant and equipment	<u>10,270,000</u>
As at 30 June 2022	<u>10,270,000</u>
Accumulated depreciation	
As at 1 July 2021	-
Reclassification from property, plant and equipment	<u>1,224,575</u>
As at 30 June 2022	<u>1,224,575</u>
Net book value	
As at 30 June 2021	-
As at 30 June 2022	<u><u>9,045,425</u></u>

The sale of leasehold land classified as held for sale is expected to be completed within the next 12 months. The sale of leasehold land is currently pending consent from State Authority of Perak.

19. SHARE CAPITAL

	Group/Company			
	2022		2021	
	Number of Ordinary Shares Units	Monetary amount RM	Number of Ordinary Shares Units	Monetary amount RM
Issued and fully paid up with no par value:				
At 1 July	481,725,245	398,872,972	481,723,845	398,871,572
Issuance of ordinary shares	<u>140,431,000</u>	<u>22,587,236</u>	1,400	1,400
At 30 June	<u><u>622,156,245</u></u>	<u><u>421,460,208</u></u>	<u><u>481,725,245</u></u>	<u><u>398,872,972</u></u>

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

20. RESERVES

Group	Reserves			Total reserves RM
	Non-Distributable Revaluation reserves RM	Warrant reserves RM	Distributable Accumulated losses RM	
As at 1 July 2020				
(As previously reported)	308,936,275	1,400,000	(206,885,350)	103,450,925
Effect of prior year adjustments	(7,531,435)	-	2,720,844	(4,810,591)
As at 1 July 2020 (Restated)	301,404,840	1,400,000	(204,164,506)	98,640,334
Profit for the financial year	-	-	6,115,145	6,115,145
Realisation of revaluation reserve on disposal of property, plant and equipment	(6,327,385)	-	6,327,385	-
Reversal of warrant reserve (Note 22)	-	(1,400,000)	1,400,000	-
Reversal of RCPS during the year	-	-	174,618,384	174,618,384
As at 30 June 2021 (Restated)	295,077,455	-	(15,703,592)	279,373,863
As at 1 July 2021	295,077,455	-	(15,703,592)	279,373,863
Profit for the financial year	-	-	6,619,778	6,619,778
Other comprehensive income	332,059	-	-	332,059
As at 30 June 2022	295,409,514	-	(9,083,814)	286,325,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

20. RESERVES (CONT'D)

Company

	← Reserves →		
	<i>Non-Distributable</i>	<i>Distributable</i>	
	Warrant	Accumulated	Total
	reserves	losses	reserves
	RM	RM	RM
As at 1 July 2020 (As previously reported)	1,400,000	(143,516,971)	(142,116,971)
Effect of prior year adjustment	-	22,055,000	22,055,000
As at 1 July 2020 (Restated)	1,400,000	(121,461,971)	(120,061,971)
Reversal of warrant reserve (Note 22)	(1,400,000)	1,400,000	-
Profit for the financial year	-	10,270,131	10,270,131
As at 30 June 2021	-	(109,791,840)	(109,791,840)
As at 1 July 2021	-	(109,791,840)	(109,791,840)
Profit for the financial year	-	7,677,809	7,677,809
As at 30 June 2022	-	(102,114,031)	(102,114,031)

21. TREASURY SHARES

On 30 June 2009, the Company had obtained approval from its shareholders to buy-back its own shares. The latest approval obtained for the renewal of share buy-back was on 28 June 2018.

During the financial year, there was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year. On a cumulative basis, as at 30 June 2022, the Company has purchased 306,000 ordinary shares for RM180,945 representing an average of RM0.50 per share.

22. WARRANT RESERVES

Amount allocated in relation to the issuance of free warrants are credited to warrant reserves which is non-distributable. Warrant reserves are transferred to the share capital account upon the exercise of warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

22. WARRANT RESERVES (CONT'D)

Details of the Warrants 2018/2021 are as follows:

Number of warrants	143,765,680
Adjusted exercise price of warrants	RM1.00
Exercise period of warrants	24 January 2018 to 21 January 2021
Exercise rights	Each warrant entitles the holders to subscribe for one new ordinary share in the Company
Voting rights at meetings of warrant holders	One vote per warrant on a poll

The value of the warrants is RM0.0097 per warrant which is equivalent to RM1,400,000 and during the year, the warrant reserves was reversed due to the expiry of the exercise period of warrants.

23. LOANS AND BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Short term borrowings				
Secured:				
Term loans	-	1,362,409	-	1,362,409
Hire purchase liabilities	-	1,286,694	-	1,286,694
Bankers' acceptances	-	4,820,300	-	4,820,300
Bank overdrafts (Note 17)	-	5,250,442	-	5,250,442
Total loan and borrowings	-	12,719,845	-	12,719,845

The term loans are secured as follows:

- general security agreement relating to goods held;
- general letter of pledge and a blanket counter indemnity;
- assignment of all proceeds received from the customers; and
- any other security as maybe reasonably advised by the bank and/ or legal counsel for a facility of such nature.

The bank overdrafts, bankers' acceptances and revolving credit facilities are secured as follows:

- general security agreement relating to goods held;
- general letter of pledge and a blanket counter indemnity;
- corporate guarantee to subsidiaries; and
- fixed deposits placed by the Company/subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

23. LOANS AND BORROWINGS (CONT'D)

The remaining maturities of loans and borrowings as at 30 June 2022 are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Maturity of loans and borrowings:				
Within one year or on demand	-	12,719,845	-	12,719,845

The effective interest rate of term loans was charged at rate 5.57% (2021: 5.57%) per annum.

The effective interest rate of hire purchase liabilities was charged at rates ranging from 3.65% to 8.35% (2021: 3.65% to 8.35%) per annum.

The effective interest rate of bankers' acceptances was charged at rates ranging from 3.65% to 4.43% (2021: 3.65% to 4.43%) per annum.

24. LEASE LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current				
Obligation under right-of-use assets (Note 14)	243,791	127,614	49,826	-
	<u>243,791</u>	<u>127,614</u>	<u>49,826</u>	<u>-</u>
Non-current				
Obligation under right-of-use assets (Note 14)	17,669	95,479	17,669	-
	<u>17,669</u>	<u>95,479</u>	<u>17,669</u>	<u>-</u>
Total lease liabilities	<u>261,460</u>	<u>223,093</u>	<u>67,495</u>	<u>-</u>
Maturity of lease liabilities:				
Within one year	243,791	127,614	49,826	-
More than 1 year and less than 5 years	17,669	95,479	17,669	-
	<u>261,460</u>	<u>223,093</u>	<u>67,495</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

25. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2022	2021
	RM	RM
Present value of unfunded obligation and net liability in statements of the financial position	298,334	260,867

Movement in net liability recognised in the statements of financial positions are as follows:

	Group	
	2022	2021
	RM	RM
At 1 July	260,867	308,702
Expenses recognised in the statements of profit or loss and other comprehensive income	37,467	-
Reversal	-	(47,835)
At 30 June	298,334	260,867

The Group and Company have established a defined benefit plan that provides retirement benefits to eligible employees.

Principal actuarial assumptions used at the statements of financial position date are:

	Group	
	2022	2021
	%	%
Discount rate	7.00	7.00
Future salary increase	5.00	5.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

26. DEFERRED TAX LIABILITIES/(ASSETS)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are disclosed in the statements of financial position:

	Group		Company	
	2022	Restated 2021	2022	2021
	RM	RM	RM	RM
At 1 July (As previously reported)	45,329,136	45,329,136	(5,840,836)	(5,840,836)
Effect of prior year adjustments	7,435,221	7,435,221	-	-
At 1 July (Restated)	52,764,357	52,764,357	(5,840,836)	(5,840,836)
Current year charged / to statements of profit or loss and other comprehensive income arising from:				
- Provision and others	(8,842)	-	-	-
- Revaluation reserve	104,861	-	-	-
	96,019	-	-	-
At 30 June	52,860,376	52,764,357	(5,840,836)	(5,840,836)
	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	58,701,212	58,605,193	-	-
Deferred tax assets	(5,840,836)	(5,840,836)	(5,840,836)	(5,840,836)
	52,860,376	52,764,357	(5,840,836)	(5,840,836)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

26. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D)

	Group		Company	
	2022	Restated 2021	2022	2021
	RM	RM	RM	RM
(a) Deferred Tax Liabilities				
Provisions and others	58,701,212	58,605,193	-	-
	<u>58,701,212</u>	<u>58,605,193</u>	<u>-</u>	<u>-</u>
(b) Deferred Tax Assets				
Tax losses and allowance	(5,840,836)	(5,840,836)	(5,840,836)	(5,840,836)
	<u>(5,840,836)</u>	<u>(5,840,836)</u>	<u>(5,840,836)</u>	<u>(5,840,836)</u>
Total Deferred Tax Liabilities/(Assets) After Offsetting	<u>52,860,376</u>	<u>52,764,357</u>	<u>(5,840,836)</u>	<u>(5,840,836)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unutilised tax losses	33,845,630	34,570,774	20,261,209	30,825,197
Unabsorbed capital allowances	5,611,220	43,116,439	4,211,538	22,100,181
	<u>39,456,850</u>	<u>77,687,213</u>	<u>24,472,747</u>	<u>52,925,378</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

27. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022	Restated 2021	2022	Restated 2021
		RM	RM	RM	RM
Current					
Trade					
Trade payables		8,436,382	6,327,494	7,511,442	5,964,819
Non-trade					
Other payables		45,212,840	13,078,961	49,251,609	1,887,836
Accrued expenses		3,936,038	24,776,013	743,399	32,542,514
Amount due to subsidiaries	(a)	-	-	40,750,798	21,125,447
		49,148,878	37,854,974	90,745,806	55,555,797
Total	(b)	57,585,260	44,182,468	98,257,248	61,520,616
Non-current					
Long term liabilities		38,500,000	62,907,798	24,000,000	-
		38,500,000	62,907,798	24,000,000	-
Total trade and other payables (current and non-current)		96,085,260	107,090,266	122,257,248	61,520,616

(a) Amount due to subsidiaries

Amount due to subsidiaries are unsecured, interest-free and repayable on demand.

(b) Trade and other payables (current)

These amounts are non-interest bearing. The normal credit terms on trade and other payables vary from 30 days to 90 days (2021: 30 days to 90 days) from the invoice date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

28. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments. The business segments are based on the Group's management and internal reporting structure. Segment information by geographical segments is not provided as the activities of the Group are located principally in Malaysia. Inter-segment pricing is determined based on negotiated terms.

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

Business segments

The Group is organised into the following business segments:

- (i) Trading for building materials, tiles products, personal protective equipment products, food and beverages.
- (ii) Property development and construction.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are no materially different from those obtainable in transactions with unrelated parties.

2022	Trading RM	Property/ Construction RM	Eliminations RM	Consolidated RM
Revenue-external	67,703,170	3,500,000	(900,936)	70,302,234
Operating profit/(loss)	7,594,626	(894,992)	1,695,723	8,395,357
Finance costs	(1,500,734)	-	-	(1,500,734)
Profit/(loss) before tax	6,093,892	(894,992)	1,695,723	6,894,623
Tax expense	(28,212)	(246,633)	-	(274,845)
Net profit/(loss) for the year	6,065,680	(1,141,625)	1,695,723	6,619,778
Segment assets	463,172,799	1,274,361,067	(879,569,447)	857,964,419
Segment liabilities	140,703,368	373,876,959	(364,220,871)	150,359,456
Depreciation and amortisation	237,204	-	-	237,204

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

28. SEGMENTAL INFORMATION (CONT'D)

Business segments (Cont'd)

2021	Trading RM	Property/ Construction RM	Eliminations RM	Consolidated RM
Revenue-external	5,015,204	269,263	(835,676)	4,448,791
Operating profit/(loss)	12,580,658	(476,575)	(1,877,415)	10,226,668
Finance costs	(4,090,092)	(1,507)	-	(4,091,599)
Profit/(loss) before tax	8,490,566	(478,082)	(1,877,415)	6,135,069
Tax expense	(19,826)	(98)	-	(19,924)
Net profit/(loss)for the year	8,470,740	(478,180)	(1,877,415)	6,115,145
Segment assets	405,637,976	1,358,235,020	(912,027,047)	851,845,949
Segment liabilities	143,526,294	551,129,421	(520,875,656)	173,780,059
Depreciation and amortisation	988,752	-	-	988,752

29. RELATED PARTY TRANSACTIONS

Identifying of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

29. RELATED PARTY TRANSACTIONS (CONT'D)

The significant related party transactions of the Group and the Company, other than key management personnel compensation as disclosed in Note 10, are as follows:

Related party transactions

	Company	
	2022	2021
	RM	RM
Sales to subsidiaries		
- SeaceraMart Sdn. Bhd.	-	271,260
- Seacera Builders Sdn. Bhd.	<u>253,000</u>	<u>-</u>

Intercompany transactions have been eliminated during consolidation of the Group's financial statements.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management is integral to the development of the Group's and the Company's businesses. The Group and the Company have in place the financial risk management policies to manage its exposure to a variety of risks to an acceptable level. The Group's and the Company's principal financial risk management policies are as follows:

a) Credit risk

Cash and bank balances are placed with reputable financial institutions based on rating agencies' ratings. The Group and the Company placed funds in respect of other financial assets by reference to the investment evaluation procedures to ensure that the credit risk is kept at minimum level.

Therefore, credit risk arises mainly from the inability of its customers to make payments when due. Trade receivables presented in the statement of financial position are net of allowances for impairment losses, estimated by management based on prior experience and the current economic environment.

The carrying amounts of the financial assets recorded on the statement of financial position at the reporting date represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk other than those disclosed in the notes.

The Group and the Company do not hold any collateral and thus, the credit exposure is continuously monitored by the Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

a) Credit risk

Measurement of Expected Credit Loss ("ECL")

(i) Trade and other receivables using simplified approach

The expected loss rates for trade and other receivables is assessed on an individual debtor basis. The Group measures the loss allowance for trade and other receivables by estimating the likelihood that the debtor would not be able to repay during the contractual period, the extent of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Inter company balances

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to be with low credit risk. The Company assumes that there is as significant increase risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's advance is overdue for more than 365 days; or
- The subsidiary's is continuously loss making and is having a deficit shareholders' fund.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b) Liquidity risk

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The weighted average effective interest rates of these non-derivative financial liabilities are disclosed in the respective notes.

Group	On demand or within one year RM	One to five years RM	Total RM
30 June 2022			
Trade and other payables	<u>57,585,260</u>	<u>-</u>	<u>57,585,260</u>
30 June 2021			
Trade and other payables	44,182,468	62,907,798	107,090,266
Bank overdrafts	5,250,442	-	5,250,442
Term loans	1,362,409	-	1,362,409
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	4,820,300	-	4,820,300
	<u>56,902,313</u>	<u>62,907,798</u>	<u>119,810,111</u>
Company			
30 June 2022			
Trade and other payables	<u>98,257,248</u>	<u>-</u>	<u>98,257,248</u>
30 June 2021			
Trade and other payables	61,520,616	-	61,520,616
Bank overdrafts	5,250,442	-	5,250,442
Term loans	1,362,409	-	1,362,409
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	4,820,300	-	4,820,300
	<u>74,240,461</u>	<u>-</u>	<u>74,240,461</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

b) Liquidity risk (Cont'd)

At the reporting date, it is not probable that the counterparties to the financial guarantee contracts will claim under the contracts. Thus, the amount is Nil for the Group and the Company. The maximum exposure for the financial guarantee is the full guaranteed amount claimable by the counterparties to the guarantees.

c) Interest rate risk

Interest rate risk arises when the future cash flows or fair value will fluctuate due to the changes in interest rates related to financial assets and financial liabilities with floating interest rates.

The Group's and the Company's financial instruments that are exposed to interest rate risk and the applicable weighted average effective interest rates are disclosed in the respective notes.

The Group and the Company manage the exposure to interest rate by matching a prudent mix of fixed and floating rate borrowings.

Interest rate risk sensitivity

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's profit before tax by RM Nil (2021: RM127,198) arising mainly as a result of lower or higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis point for interest rate sensitivity is based on the currently observable market environment.

d) Currency risk

The Group's and the Company's financial instruments that are exposed to currency risk and the extent of the exposures to currency risk are disclosed in the respective notes.

The Group and the Company ensures that the net exposure to foreign currency risk is kept to an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

d) Currency risk (Cont'd)

Foreign currency risk sensitivity

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the reporting date would increase/(decrease) the profit before tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	Group		Company	
	2022	2021	2022	2021
	Functional currencies		Functional currencies	
	Ringgit Malaysia		Ringgit Malaysia	
	RM	RM	RM	RM
Financial assets and liabilities not held in functional currency				
Cash and bank balances				
US Dollar	1,928	1,945	101	101
Singapore Dollar	167	167	167	167
	2,095	2,112	268	268

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

31. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Group		Company	
	Carrying amount RM	Amortised cost RM	Carrying amount RM	Amortised cost RM
2022				
Financial assets:				
Trade and other receivables	48,076,959	48,076,959	110,661,435	158,738,394
Cash and bank balances	2,044,059	2,044,059	1,649,692	3,693,751
	<u>50,121,018</u>	<u>50,121,018</u>	<u>112,311,127</u>	<u>162,432,145</u>
Financial liabilities:				
Trade and other payables	57,585,260	57,585,260	98,257,248	98,257,248
	<u>57,585,260</u>	<u>57,585,260</u>	<u>98,257,248</u>	<u>98,257,248</u>
2021				
Financial assets:				
Trade and other receivables	50,642,900	50,642,900	85,986,803	85,986,803
Cash and bank balances	6,964,029	6,964,029	3,359	3,359
	<u>57,606,929</u>	<u>57,606,929</u>	<u>85,990,162</u>	<u>85,990,162</u>
Financial liabilities				
Trade and other payables	107,090,266	107,090,266	61,520,616	61,520,616
Loans and borrowings	12,719,845	12,719,845	12,719,845	12,719,845
	<u>119,810,111</u>	<u>119,810,111</u>	<u>74,240,461</u>	<u>74,240,461</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

31. FINANCIAL INSTRUMENTS (CONT'D)

b) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans and borrowings will be re-paid to market interest rate on or near reporting date.

32. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group and the Company manage its capital structure by monitoring the capital and net debt on an ongoing basis. To maintain the capital structure, the Group and the Company may adjust the dividend payment to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the financial year.

	Note	Group		Company	
		2022	Restated 2021	2022	2021
		RM	RM	RM	RM
Debts					
Loans and borrowings	23	-	12,719,845	-	12,719,845
Trade and other payables	27	96,085,260	107,090,266	98,257,248	61,520,616
Less: Cash and bank balances	17	(2,044,059)	(6,964,029)	(1,649,692)	(3,359)
Net debt		94,041,201	112,846,082	96,607,556	74,237,102
Total equity		707,604,963	678,065,890	319,165,232	288,900,187
Gearing ratio – Total debts over total equity		0.13	0.17	0.30	0.26

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

33.1 PRACTICE NOTE 17 (“PN17”)

On 18 April 2019, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) whereby a listed issuer has a default in payment of loans or credit facilities of a Company and its major subsidiary companies and the Company is unable to provide a solvency declaration to the Exchange.

In compliance with paragraph 8.04(3) of the Listing Requirements, the Company is required to submit the Regularisation Plan to the relevant authorities. The deadline of the submission of the regularisation plan was initially on 25 April 2020 but has been granted extension of time (“EOT”) by Bursa Securities for several times.

On 20 May 2022, the Company had appointed Mercury Securities Sdn. Bhd. (“Mercury Securities”) as an adviser to assist the Company in formulating the scheme for the Proposed Regularisation Plan and the submission of an application to Bursa Securities.

The latest EOT has been granted on 9 June 2022 and the Company is required to submit the regularisation plan before 25 October 2022.

Subsequently, on 6 September 2022, the Company received notice from Mercury Securities on their resignation as Principal Adviser. The resignation of Mercury Securities is on a voluntary basis due to insufficient of manpower.

On 6 September 2022, the Company has appointed M & A Securities Sdn. Bhd for the replacement of Mercury Securities.

As announced on 20 October 2022, the Company has submitted application to extend the submission of the regularisation plan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

33.2 DISPOSAL OF LAND

On 16 November 2021, Seacera Porcelain Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into two (2) Sale and Purchase Agreement (“SPA”) with AT Glove Engineering Sdn. Bhd. to dispose two (2) lands as follows:

- a) No. Hakmilik 380412, Lot 313647, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Ridzuan
- b) No. H.S. (D) 31938, PT 24244, Mukim Asam Kumbang, District of Larut & Matang, Perak Darul Ridzuan

Measuring approximately total of 63,588 square metres, for a total consideration of RM9,000,000 (Ringgit Malaysia Nine Million) only. The said transaction is pending consent or approval of the State Authority and the Consent period date has been extended for a further three (3) months, commencing from 10 March 2022 until 14 June 2022 as mutually agreed by both parties.

On 16 August 2022, both parties mutually agreed to extend the Consent period date for a further six (6) months commencing from 15 June 2022 to 14 December 2022.

33.3 JOINT VENTURE AGREEMENT

On 25 March 2022, Seacera Builders Sdn. Bhd. (“SBSB”), a wholly-owned subsidiary of the Company had entered into a joint venture agreement (“JV Agreement”) with Ikhlas Al Dain Sdn. Bhd. (“IKHLAS”).

SBSB has agreed to undertake, implement and complete the the development of 137 holiday home villas, with all necessary infrastructure, facilities and development components to be constructed on the land measuring approximately, 30.2 acres located in Cherating, Pahang.

The said development, with estimated gross development value of RM156 million is poised to contribute positively to the revenue and earnings of the Group over the next 3 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

34. MATERIAL LITIGATIONS

No	Case no	Plaintiff/ Petitioner/ Appellant	Defendant/ Respondent	Amount claim (RM)	Status
					1. Announcement dates 2. Latest status
1.	(Appeals Suit 122) a) (B-02(NCC) (A)-1091-06/2022) b) (B-02(IM) (NCC)-1092-06/2022) c) (B-02(IM) (NCC)-1093-06/2022)	Duta Skyline Sdn. Bhd.	Datuk Ismail Othman & Amazing Symphony Sdn. Bhd.	-	1) 30.5.2022, 25.7.2022, 3.8.2022, 6.10.2022 & 18.10.2022 2) Decision on 27.5.2022 - the Court has dismissed the 1st and 2nd Defendants' application in Encl 13 and 18 respectively and allowed the Plaintiff's application for injunction in Encl 3 and the Originating Summons in Encl 1 with costs of RM20,000 to be paid by each Defendant. 3) DSSB filed a Notice of Appeal on 15.6.2022 4) Case Management on 8.5.2023 5) Hearing of Appeals on 22.5.2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

34. MATERIAL LITIGATIONS (CONT'D)

No	Case no	Plaintiff/ Petitioner	Defendant/ Respondent	Amount claim (RM)	Status 1. Announcement dates 2. Latest status
2.	(Appeal - Suit 603) (W-02(NCC) (W)-168- 01/2022)	Datuk Ismail Othman & 4 Ors	Seacera Group Berhad, Seacera Properties Sdn. Bhd., Duta Nilai Holdings Sdn. Bhd. & Duta Skyline Sdn. Bhd.	-	1) 11.2.2022, 14.3.2022, 23.5.2022, 4.7.2022, 15.9.2022 & 18.10.2022 2) Plaintiffs filed a Notice of Appeal on 26.1.2022. 3) Next Case Management and hearing of Appeal date will be determined by the court.
3.	(WA-22NCC- 244-06/2020)*	Duta Nilai Holdings Sdn. Bhd.	Datuk Ismail Othman & 4 Ors	-	1) 18.6.2020, 15.7.2020, 11.8.2020, 27.8.2020, 28.9.2020, 20.10.2020, 11.11.2020, 1.12.2020, 18.12.2020, 11.2.2021, 12.3.2021, 6.4.2021, 21.4.2021, 24.5.2021, 21.6.2021, 28.6.2021, 1.9.2021, 24.9.2021, 20.10.2021, 21.12.2021, 16.2.2022, 1.6.2022, 10.6.2022, 15.6.2022 25.7.2022, 29.8.2022, 11.10.2022 & 18.10.2022 2) Oral Clarification/ submission on 18.11.2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

34. MATERIAL LITIGATIONS (CONT'D)

No	Case no	Plaintiff/ Petitioner	Defendant/ Respondent	Amount claim (RM)	Status
					1. Announcement dates 2. Latest status
4.	(WA-22NCC-262-06/2020)	Al-Amin Strategic Commodity	Duta Nilai Holdings Sdn. Bhd.	8,081,608.56	<p>1) 26.6.2020, 15.7.2020, 11.8.2020, 27.8.2020, 28.9.2020, 20.10.2020, 11.11.2020, 1.12.2020, 18.12.2020, 19.1.2021, 6.4.2021, 21.4.2021, 24.5.2021, 21.6.2021, 28.6.2021, 1.9.2021, 24.9.2021, 20.10.2021, 18.11.2021, 22.12.2021, 21.2.2022, 15.6.2022, 25.7.2022, & 29.8.2022, 11.10.2022 & 18.10.2022</p> <p>2) No further date for this suit as of now.</p>
5.	(WA-22NCC-554-11/2020)	Al-Amin Strategic Commodity	Seacera Group Berhad & 11 Ors	-	<p>1) 16.11.2020, 18.11.2020, 22.12.2020, 11.1.2021, 3.2.2021, 31.3.2021, 1.4.2021, 24.6.2021, 15.7.2021, 17.8.2021, 7.9.2021, 17.11.2021, 27.1.2022, 28.2.2022, 29.3.2022, 14.6.2022, 1.8.2022, 15.8.2022, 8.9.2022 & 18.10.2022</p> <p>2) Case Management on 23.11.2022</p>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

34. MATERIAL LITIGATIONS (CONT'D)

No	Case no	Plaintiff/ Petitioner	Defendant/ Respondent	Amount claim (RM)	Status
					1. Announcement dates 2. Latest status
6.	(WA-22NCC-201-05/2021)	Datuk Ismail Othman & 2 Ors	Seacera Group Berhad & 4 Ors	2,810,000	1) 13.7.2021, 17.9.2021, 18.11.2021, 6.12.2021, 29.12.2021, 1.3.2022, 12.4.2022, 20.5.2022 & 20.6.2022 2) Case Management on 28.2.2023 3) Trial on 15-18 May 2023
7.	(Appeal Suit 114) (W-02(NCC) (W)-1954-10/2022)	Gan Hai Toh	Seacera Group Berhad	5,500,000	1) 19.9.2022 & 25.10.2022 2) Decision on 15.9.2022, Plaintiff's claims was dismissed with costs and third party proceeding by the Defendant against the third party was dismissed with order as to costs. 3) Notice of Appeal filed on 11.10.2022 4) Case Management on 9.1.2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

34. MATERIAL LITIGATIONS (CONT'D)

No	Case no	Plaintiff/ Petitioner	Defendant/ Respondent	Amount claim (RM)	Status
					1. Announcement dates 2. Latest status
8.	(BA-22NCVC-420-10/2020)	Seacera Group Berhad/ Seacera Properties Sdn. Bhd.	Datuk Ismail Othman & 4 Ors	-	<p>1) 22.10.2020, 26.11.2020, 2.2.2021, 8.4.2021, 3.5.2021, 18.5.2021, 8.7.2021, 28.7.2021, 6.8.2021, 26.8.2021, 6.9.2021, 14.9.2021, 20.9.2021, 27.10.2021, 17.11.2021, 14.12.2021, 11.2.2022, 22.3.2022, 30.5.2022, 10.6.2022, 27.6.2022, 5.8.2022 & 25.8.2022</p> <p>2) Trial on 23 - 26 October 2023</p> <p>3) Notice of Discontinuance (NOD) filed on 25.8.2022 against 2nd until 5th Defendant.</p> <p>4) 2nd until 5th Defendant withdrawn a Counter Claim against the Plaintiffs on 25.8.2022.</p>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

34. MATERIAL LITIGATIONS (CONT'D)

No	Case no	Plaintiff/ Petitioner	Defendant/ Respondent	Amount claim (RM)	Status
					1. Announcement dates 2. Latest status
9.	(WA-28NCC-640-08/2022)	Ambank Islamic Berhad	Seacera Group Berhad	16,644,789	1) 16.8.2022 & 7.10.2022 2) Received a Winding Up Petition on 16.8.2022 3) Case management on 31.10.2022. 4) Hearing on 29.3.2023

* An indirect wholly owned subsidiary, Duta Nilai Holdings Sdn. Bhd. ("DNHSB") had on 25 June 2020 served with a Writ Summons dated 24 June 2020, through Plaintiff's solicitor for claiming an amount of RM8,081,608.56 and other claims from the Defendant.

The Plaintiff claimed from the Defendant as follow:-

- a) Pay the Plaintiff the sum of RM8,081,608.56;
- b) A declaration that the Defendant and/or their agents, servants be restrained from acting upon and/or giving effect in any manner whatsoever to the Joint Venture Agreement ("JVA");
- c) A declaration that the JVA dated 22 April 2019 between the Defendant and Amazing Symphony Sdn. Bhd. ("ASSB") is null and void ab initio and of no effect whatsoever;
- d) An order that the Defendant, their servants, agents be restrained from dealing, acting in any manner with the quarrying works on/with the land ie; Lot 613;
- e) An order for specific performance in relation with Redeemable Convertible Preference Shares ("RCPS");
- f) The Judgment be entered for the sum of RM161,632,017.00, such sum to be paid by the Defendant within 14 days from the order;
- g) A declaration that the Kuala Lumpur High Court Suit no. WA-22NCC-244-06/2020 has been filed in abuse of process of Court;
- h) Damages as may be assessed by the Court;
- i) Interest at 5% per annum on the said sum of RM8,081,608.56 from 12 December 2019 until realisation;
- j) Interest at 5% per annum on the said sum of RM161,632,017.00 from date of Judgment until realisation;
- k) Costs;
- l) Such other relief as the Court may deem fit to grant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

34. MATERIAL LITIGATIONS (CONT'D)

The involved parties have attended few Court sessions and on 17 October 2022, the parties had attended for Case Management ("CM") and there is no further date for this suit as at the date of financial statements pending suit WA-22NCC-244-06/2020 (Suit 244)'s decision.

The Directors after taking into consideration the facts of the above cases, in consultation with the Group's and the Company's solicitors, are of the opinion that the Group and the Company have a good chance of success in defending the above cases.

However, on a prudence basis, on a case by case basis, certain liabilities were recognised based on the claim amounts in the financial statements.

35. CONTINGENT ASSET

A legal claim was lodged against the Group and its subsidiaries in the High Court by Ismail bin Othman, Zainab binti Mansor, Mohamad Suffian bin Ismail, Mohd Razip bin Hamzah & Siti Haidah binti Ariffin (Ismail bin Othman & 4 Ors) in November 2019 (WA-22NCC-603-10/2019). The Judge has delivered her judgement on 29 December 2021 which has been extracted as

- a) An order that 1st and 2nd Defendant (1st and 2nd plaintiff in the main claim) are jointly and severally liable to indemnify Seacera Properties Sdn. Bhd. ("SPSB") by paying SPSB the sum of RM25,622,803.33 or any amount SPSB or Duta Skyline Sdn. Bhd. ("DSSB") actually paid and might have to pay pursuant to LHDN Judgment, cost and penalty on a reimbursement basis;
- b) Interest of 5% per annum from the 8th day of demand for reimbursement of the tax with LHDN receipt with amount paid and date; and
- c) RM60,000.00 to be paid by 1st and 2nd Defendant (1st and 2nd plaintiff in the main claim).

As at the date of financial statements the case is on-going and is in the appeal process by (Ismail bin Othman & 4 Ors)(W-02(NCC)(W)-168-01/2022).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continue)

36. PRIOR YEAR ADJUSTMENTS

During the year, the adjustments presented below were made retrospectively relating to the prior financial years of the Group and of the Company was mainly due to recognition with regards to the disposal of leasehold land, reversal of capitalisation of quit rent and assessment on freehold land, revaluation surplus of freehold land and under recognition of negative goodwill.

Group	As previously stated RM	Adjustments RM	As restated RM
1 July 2020			
<u>Consolidated statement of financial position</u>			
Property, plant and equipment	823,148,005	11,247,697	834,395,702
Trade and other receivables	39,304,209	(2,256,855)	37,047,354
Trade and other payables	115,729,485	6,366,213	122,095,698
Deferred tax liabilities	45,329,136	7,435,221	52,764,357
Reserves	103,450,925	(4,810,591)	98,640,334
30 June 2021			
<u>Consolidated statement of financial position</u>			
Property, plant and equipment	783,286,905	10,278,792	793,565,697
Trade and other receivables	53,032,676	(2,256,855)	50,775,821
Trade and other payables	37,816,255	6,366,213	44,182,468
Deferred tax liabilities	45,329,136	7,435,221	52,764,357
Reserves	285,153,360	(5,779,497)	279,373,863
<u>Consolidated statement of profit or loss and other comprehensive income</u>			
Administrative expenses	(6,431,113)	(968,906)	(7,400,019)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (*continue*)

36. PRIOR YEAR ADJUSTMENTS (CONT'D)

Company	As previously stated RM	Adjustments RM	As restated RM
1 July 2020			
<u>Statement of financial position</u>			
Trade and other receivables	64,378,447	22,055,000	86,433,447
Reserves	(142,116,971)	22,055,000	(120,061,971)
30 June 2021			
<u>Statement of financial position</u>			
Trade and other receivables	63,931,803	22,055,000	85,986,803
Reserves	(131,846,840)	22,055,000	(109,791,840)

37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Board of Directors in accordance with a resolution of the Board of Directors on the date of these financial statements.

LIST OF PROPERTIES

[illegible]

ANALYSIS OF SHAREHOLDINGS

AS AT 20 SEPTEMBER 2022

Total Number of Issued Shares : 622,156,245 Ordinary Shares (inclusive of 306,000 treasury shares)
 Class of Shares : Ordinary Shares
 Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shares / Unit	No. of Holders	%	No. of Shares	%
Less than 100	382	13.17	17,981	0.00
100 – 1,000	287	9.89	137,856	0.02
1,001 – 10,000	1,253	43.19	6,130,916	0.99
10,001 – 100,000	778	26.82	27,133,422	4.36
100,001 – Less than 5% of Issued Shares	198	6.83	385,064,670	61.93
5% and above of Issued Shares	3	0.10	203,365,400	32.70
Total	2,901	100.00	621,850,245	100.00

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares held			
		Direct	%	Indirect	%
1.	Dato' Seri Abdul Azim Bin Mohd Zabidi	0	0.00	0	0.00
2.	Chua Yeong Lin	0	0.00	0	0.00
3.	Nicholas Wong Yew Khid	20,000,000	3.22	0	0.00
4.	Shi'aratul Akmar Binti Sahari	0	0.00	0	0.00

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholdings)

No.	Name of Substantial Shareholders	No. of Shares held			
		Direct	%	Indirect	%
1.	Asiabio Capital Sdn. Bhd.	92,273,000	14.84	0	0.00
2.	Fintec Global Limited	61,092,400	9.82	0	0.00
3.	Fintec Global Berhad	0	0.00	*153,365,400	24.66

Remark:-

* Deemed interest by virtue of its shareholdings in Asiabio Capital Sdn. Bhd. and Fintec Global Limited pursuant to Section 8 of the Companies Act 2016.

Analysis Shareholdings

as at 20 September 2022 (continue)

LIST OF TOP 30 LARGEST REGISTERED SHAREHOLDERS (According to the Record of Depository)

No.	Name of Shareholders	No. of Shares Held	%
1	Asiabio Capital Sdn. Bhd.	92,273,000	14.84
2	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for the Hongkong and Shanghai Banking Corporation Limited (GCHK-LAZARUS)	61,092,400	9.83
3	M & A Nominee (Tempatan) Sdn. Bhd. Exempt an For Sanston Financial Group Limited (Account Client)	50,000,000	8.04
4	Tay Ben Seng, Benson	30,431,000	4.90
5	Chong Loong Men	30,000,000	4.82
6	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koo Kien Yoon	30,000,000	4.82
7	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	30,000,000	4.82
8	Kong Kok Keong	29,000,000	4.66
9	Cartaban Nominees (Asing) Sdn. Bhd. Exempt an for Standard Chartered Bank Singapore (EFGBHK-ASING)	27,376,300	4.40
10	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Eng Taik	18,791,900	3.02
11	Pasukhas Properties Sdn. Bhd.	16,833,300	2.71
12	AT Precision Tooling Sdn. Bhd.	13,510,800	2.17
13	Pasukhas Properties Sdn. Bhd.	9,346,200	1.50
14	Ismail Bin Othman	8,297,363	1.34
15	Cartaban Nominees (Asing) Sdn. Bhd. Exempt an for Barclays Capital Securities Ltd (SBL/PB)	8,260,000	1.33
16	HSBC Nominees (Asing) Sdn. Bhd. Exempt an for Credit Suisse (Switzerland) Ltd	7,500,000	1.21
17	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Shiau Hui	6,935,400	1.12
18	Chan Chee Hong	6,835,000	1.10
19	Lai Yee Voon	6,000,000	0.97
20	Koh Heok Teo	5,565,000	0.89
21	Ta Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Jie Seak	5,273,700	0.85
22	Ta Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Joo Meng	5,187,400	0.83
23	Kenanga Nominees (Asing) Sdn. Bhd. Exempt an for Phillip Securities Pte Ltd (Client Account)	4,555,700	0.73
24	Lai Tze Jin	4,050,900	0.65
25	Su Ming Yaw	3,004,200	0.48
26	Quek Soon Tiang	3,000,000	0.48
27	Amsec Nominees (Tempatan) Sdn. Bhd. Ayamkuat Maju (Kuala Lumpur) Sdn. Bhd.	2,557,600	0.41
28	Piong Yon Wee	2,529,600	0.41
29	AEV Engineering & Trading Sdn. Bhd.	1,961,700	0.32
30	Yu Kim Lung	1,827,800	0.29
Total		521,996,263	83.94

NOTICE OF 37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh ("37th") Annual General Meeting ("AGM") of **SEACERA GROUP BERHAD** ("SEACERA" or "the Company") will be held on virtual basis and entirely via remote participation and voting via an online meeting platform of Mlabs VGM as operated by Mlabs Research Sdn. Bhd. via <https://rebrand.ly/SeaceraAGM> from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 November 2022 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses: -

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits up to an amount of RM236,000 for the period from 24 November 2022 until the next Annual General Meeting of the Company.
3. To re-elect Nicholas Wong Yew Khid as a Director who retires by rotation pursuant to Clause 97.1 of the Company's Constitution.
4. To re-appoint Messrs. AL Jafree Salihin Kuzaimi PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

*Please refer to
Explanatory Note 1*

(Ordinary Resolution 1)

(Ordinary Resolution 2)

(Ordinary Resolution 3)

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications as Ordinary Resolutions of the Company:-

5. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

(Ordinary Resolution 4)

"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to allot and issue not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016 and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

AND THAT the existing shareholders of the Company hereby waive their preemptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016."

6. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

TAN KOK SIONG
(LS0009932 & SSM PC NO. 202008001592)
Company Secretary

Kuala Lumpur
Dated: 25 October 2022

Notice of 37th Annual General Meeting (continued)

NOTES:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/ proxies **WILL NOT BE ALLOWED** to attend this AGM in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate remotely at the meeting will therefore have to register via the Remote Participation and Voting (“RPV”) facilities operated by Mlabs Research Sdn. Bhd. at <https://rebrand.ly/SeaceraAGM>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 37th AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

- (a) For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 14 November 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- (b) A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his/ her place. A proxy may but need not be a member of the Company.
- (c) A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- (d) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (e) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (f) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (g) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (h) The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar at Workshire Share Registration Sdn. Bhd. of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (i) Please ensure ALL the particulars as required in the form of proxy is completed, signed and dated accordingly.
- (j) Last date and time for lodging the form of proxy is Monday, 21 November 2022 at 10:00 a.m.
- (k) For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the form of proxy with the Company’s Share Registrar at Workshire Share Registration Sdn. Bhd. of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

Notice of 37th Annual General Meeting (continued)

3. Audited Financial Statements for the financial year ended 30 June 2022

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of the shareholders is not required pursuant to the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders.

4. Ordinary Resolution 1 – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors shall be approved at a general meeting.

The Proposed Ordinary Resolution 1 for the Directors' Fees and Benefits proposed for the period from 24 November 2022 until the date of next AGM are calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held from 24 November 2022 until the date of next AGM. In the event the proposed amount is insufficient, (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

5. Ordinary Resolution 2 – Re-election of Directors

Nicholas Wong Yew Khid is standing for re-election as Directors of the Company and being eligible, have offered himself for re-election at the 37th AGM.

The Board had through the Nomination and Remuneration Committee ("NRC") carried out the assessment on the Directors and agreed that all Directors meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on character, experience, integrity, competence and time to effectively discharge their role as Directors.

The Board had also through the NRC conducted an assessment on Nicholas Wong Yew Khid's independence and is satisfied that he has complied with the criteria prescribed under Bursa Securities.

6. Ordinary Resolution 4 – Authority to Allot and Issue Shares

The proposed Ordinary Resolution 4 is the renewal of the mandate obtained from the members at the 36th AGM held on 29 November 2021.

The proposed Ordinary Resolution 4, if passed, will empower the Directors from the date of this AGM, to allot and issue up to a maximum of 10% of the total number of issued share capital of the Company for the time being for such purposes as they consider would be in the best interests of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The renewal of the General Mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval as to avoid incurring additional cost and time. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purposes of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, the Company had placed out aggregate number of 120,431,000 SEACERA Shares (Placement Shares), raising total gross proceeds of approximately RM18,787,236.00.

SEACERA GROUP BERHAD

[Registration No. 198701005080 (163751-H)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I / We.....
(Full name in block letters)

NRIC/ Passport/ Company Registration No.*

of
(Address)

with email address Mobile phone no.
being a member/ members* of SEACERA GROUP BERHAD ("the Company") hereby appoint(s):-

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

and/or*

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address & contact number		

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 37th Annual General Meeting of the Company to be held on virtual basis and entirely via remote participation and voting via an online meeting platform of Mlabs VGM as operated by Mlabs Research Sdn. Bhd. via <https://rebrand.ly/SeaceraAGM> from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 23 November 2022 at 10:00 a.m. or at any adjournment thereof.

Ordinary Resolutions		FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits up to an amount of RM236,000 for the period from 24 November 2022 until the next Annual General Meeting of the Company.		
2.	To re-elect Nicholas Wong Yew Khid as a Director who retires by rotation pursuant to Clause 97.1 of the Company's Constitution.		
3.	To re-appoint Messrs. AL Jafree Salihin Kuzaimi PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
4.	Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016		

* delete whichever not applicable

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he/ she thinks fit.

Dated this day of 2022

Signature of Member(s)/ Common Seal

Notes:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders/ proxies **WILL NOT BE ALLOWED** to attend this Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting. Shareholders who wish to participate remotely at the meeting will therefore have to register via the Remote Participation and Voting ("RPV") facilities operated by Mlabs Research Sdn. Bhd. at <https://rebrand.ly/SeaceraAGM>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the 37th AGM in order to participate remotely via RPV facilities.

2. APPOINTMENT OF PROXY

- For the purpose of determining who shall be entitled to participate this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 14 November 2022. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- A member entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate and vote in his/ her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to participate and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate and vote instead of the member at the AGM.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy and any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in the form of proxy is completed, signed and dated accordingly.
- Last date and time for lodging the form of proxy is Monday, 21 November 2022 at 10:00 a.m.
- For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative executed in the manner as stated in the form of proxy with the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A1-2-2 Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur.

Please fold across the lines and close

**AFFIX
STAMP**

The Share Registrar

Seacera Group Berhad
[Registration No. 198701005080 (163751-H)]

c/o: Workshire Share Registration Sdn. Bhd.
[Registration No. 202101030155 (1430455-D)]
A1-2-2 Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur

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SEACERA GROUP BERHAD
[Registration No. 198701005080 (163751-H)]
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE 37th ANNUAL GENERAL MEETING (“37th AGM”)

Date & Time : Wednesday, 23 November 2022 at 10:00 a.m.
Broadcast : Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan
Venue
Mode of Meeting : The 37th AGM will be held on virtual basis and entirely via remote participation and voting via an online meeting platform of Mlabs VGM as operated by Mlabs Research Sdn. Bhd. via <https://rebrand.ly/SeaceraAGM>

1. PRECAUTIONARY MEASURES AGAINST THE CORONAVIRUS DISEASE (“COVID-19”)

In line with the Government’s directive and the revised Guidance Note and Frequently Asked Questions (“FAQs”) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 7 April 2022 (“SC Guidance Note”), the 37th AGM of the Company will be conducted **on virtual basis through live streaming from the Broadcast Venue**.

The Broadcast Venue of the 37th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, whereby the main venue of the meeting shall be in Malaysia and the Chairman of the meeting shall be present at the main venue of the meeting. Shareholders/proxy(ies) from the public **WILL NOT BE ALLOWED** to attend the 37th AGM in person at the Broadcast Venue on the day of the meeting.

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 37th AGM at short notice. Kindly check the Company’s website or announcements for the latest updates on the status of the 37th AGM.

The Company will continue to observe the requirements and guidelines issued by the Government of Malaysia, Ministry of Health, Malaysian National Security Council, Securities Commission of Malaysia and/or other relevant authorities and will take all relevant precautionary measures as advised.

2. SHAREHOLDERS’ PARTICIPATION AT THE 37th AGM VIA REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the 37th AGM using the RPV facilities via <https://rebrand.ly/SeaceraAGM>.


A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 37th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at <https://rebrand.ly/SeaceraAGM>.

We **strongly encourage** you to participate in the 37th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 37th AGM.

Kindly refer to the Procedures for RPV as set out below for the requirements and procedures.

3. PROCEDURES FOR RPV

Please read and follow the requirements and procedures below to engage in remote participation through live streaming and online remote voting at the 37th AGM using the RPV facilities:-

Procedure		Action
BEFORE THE 37th AGM DAY		
(a)	<p>Register as a participant in the Virtual 37th AGM</p> 	<ul style="list-style-type: none"> Using your computer, access to the website at https://rebrand.ly/SeaceraAGM. Click on the REGISTER link to register as a participant for the 37th AGM. If you are using mobile devices, you can also scan the QR code provided on the left to access the registration page. Click REGISTER and enter your email, followed by NEXT to fill in your details to register for the 37th AGM. Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android, and iOS).
(b)	<p>Submit your online registration to participate the 37th AGM remotely.</p>	<ul style="list-style-type: none"> Registration for the 37th AGM is open from Tuesday, 25 October 2022 at 5:00 p.m. and the registration will be closed on Tuesday, 22 November 2022 at 10:00 a.m. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 37th AGM to ascertain their eligibility to participate the 37th AGM using the RPV facilities. Clicking on the link will redirect you to the 37th AGM event page. Click on the REGISTER link for the online registration form. Complete your particulars in the registration page. Your name MUST match your CDS account name <i>[not applicable to proxy(ies) or corporate representative(s) or attorney(s)]</i>. Kindly fill in the CDS account number and indicate the number of shares you hold. If you have more than one CDS account, please state the CDS account number and indicate the number of shares held separately with a comma (,). Read and agree to the Terms & Conditions and confirm the Declaration. Please review your registration and ensure all information given is accurate before you proceed to click SUBMIT to register for your remote participation. Failure to do so will result in your registration being rejected. System will send an e-mail to notify that your registration for remote participation is received and pending verification. After verification of your registration against the Record of Depositors as at 14 November 2022, the system will send you an e-mail after 15 November 2022 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of the registration for the RPV.)</i></p>

ON THE DAY OF THE 37 th AGM		
(a)	Participating the Virtual 37 th AGM	<ul style="list-style-type: none"> Two reminder e-mails will be sent to your inbox. First reminder will be sent one day before the 37th AGM day, while the second reminder will be sent an hour before the commencement of the 37th AGM. Click JOIN EVENT in the reminder email for remote participation at the 37th AGM at any time from 9:00 a.m., i.e. an hour before the commencement of the 37th AGM on Wednesday, 23 November 2022 at 10:00 a.m. Please ensure you have downloaded and installed Cisco Webex Meetings application before attending the Virtual 37th AGM.
(b)	Participate through Live Streaming	<ul style="list-style-type: none"> You will be given a short briefing on the RPV facilities. Your microphone will be muted throughout the whole session. If you have any question for the Chairman/ Board of Directors, you may use the Q&A PANEL to transmit your questions. The Chairman/ Board of Directors will endeavour to respond to relevant questions submitted by remote participants during the 37th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting. The meeting session will be recorded. Please note that the quality of the live streaming is dependent on the bandwidth and stability of the internal connection at your location.
(c)	Online Remote Voting	<ul style="list-style-type: none"> The Chairman of the Meeting will announce the commencement of the voting session and the end of the voting session of the 37th AGM. The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions that are tabled for voting within the given time frame. Confirm and click the SUBMIT button upon completion to submit your votes. The decision of votes cannot be changed once it is submitted.
(d)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 37th AGM, the live streaming will end.

4. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at 14 November 2022 shall be eligible to participate in the 37th AGM or appoint proxy(ies) or corporate representative(s) or attorney(s) and/or the Chairman of the Meeting to participate and vote on his/her behalf.

The hard copy of the form of proxy and/or documents relating to the appointment of proxy(ies) or corporate representative(s) or attorney(s) for the 37th AGM must be deposited by hand or post with the Company's Share Registrar at Workshire Share Registration Sdn. Bhd. of A1-2-2, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia not later than **Monday, 21 November 2022 at 10:00 a.m.:**

All members are strongly encouraged to participate and vote remotely at the 37th AGM using the RPV facilities. The procedures and requisite documents to be submitted by the respective members to facilitate remote participation and voting are summarised below:-

(I) For Individual Members

If an individual member is unable to participate the 37th AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(II) For Corporate Members

Corporate members [through the appointment of Corporate Representative(s) or proxy(ies)] who wish to participate and vote remotely at the 37th AGM must contact the Company's Share Registrar with the details set out below for assistance and is required to deposit the following documents to the Company's Share Registrar no later than **Monday, 21 November 2022 at 10:00 a.m.:**

- (a) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
- (b) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
- (c) Corporate Representative's or proxy's email address and mobile phone number.

Upon receipt of such documents, the Company's Share Registrar will respond to your remote participation request.

If a corporate member [through the appointment of Corporate Representative(s) or proxy(ies)] is unable to participate the 37th AGM, the corporate member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(III) For Institutional Members

The beneficiaries of the shares under a Nominee Company's CDS account ("Institutional member(s)") who wish to participate and vote remotely at the 37th AGM may request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the 37th AGM. The Nominee Company must then contact the Company's Share Registrar with the details set out below for assistance and is required to deposit the following documents to the Company's Share Registrar no later than **Monday, 21 November 2022 at 10:00 a.m.:**

- (a) Form of Proxy under the seal of the Nominee Company;
- (b) Copy of the proxy's MyKad (front and back)/Passport; and
- (c) Proxy's email address and mobile phone number.

Upon receipt of such documents, the Company's Share Registrar will respond to your remote participation request.

If an institutional member is unable to participate the 37th AGM, the institutional member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

5. REVOCATION OF PROXY

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the 37th AGM and subsequently decides to personally participate in the 37th AGM via RPV facilities, the Shareholder must contact the Company's Share Registrar to revoke the appointment of his/her proxy no later than **Monday, 21 November 2022 at 10:00 a.m.**

6. VOTING AT MEETING

The voting at the 37th AGM will be conducted on a poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Company has appointed Aldpro Corporate Services Sdn. Bhd. as the Poll Administrator to conduct the poll voting electronically and CSC Securities Services Sdn. Bhd. as Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the voting session announced by the Chairman of the Meeting. Kindly refer to the "**Procedures for RPV**" provided above for guidance on how to vote remotely via the RPV facilities. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution tabled for voting is duly passed or otherwise.

7. RESULTS OF THE VOTING

The resolutions proposed at the 37th AGM and the results of the voting for the same will be announced at the 37th AGM and subsequently via an announcement made by the Company through Bursa Malaysia at www.bursamalaysia.com.

8. NO RECORDING OR PHOTOGRAPHY

By participating at the 37th AGM, you agree that no part of the 37th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

9. NO DOOR GIFT/ FOOD PACKS/ ANY VOUCHER

There will be NO distribution of door gifts or food packs or any vouchers.

10. ENQUIRY

If you have any enquiries on the above, please contact the following designated persons during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):-

(i) For Registration, logging in and system related:

MLabs Research Sdn. Bhd.

Name : Mr. Hong/ Ms. Eris/ Ms. Jey
Contact No. : 03-76881013
Email : vqm@mlabs.com

(ii) For Form of Proxy and other matters:

Workshire Share Registration Sdn. Bhd.

Name : Mr. Jie Tan Kok Siong
Contact No. : 03-6413 3271
Email : shareg@wscs.com.my

SEACERA GROUP BERHAD
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