



2014

2014

ANNUAL REPORT

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SEACERA
GROUP BERHAD



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 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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Dr Azirul Salihin Bin Anuar
*Chairman,
Independent Non-Executive Director*

Nicholas Wong Yew Khid
Independent Non-Executive Director

Mah Soon Chai
Independent Non-Executive Director

Chua Yeong Lin
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chua Yeong Lin (*Chairman*)
Dato' Dr Azirul Salihin Bin Anuar (*Member*)
Nicholas Wong Yew Khid (*Member*)
Mah Soon Chai (*Member*)

NOMINATION AND REMUNERATION COMMITTEE

Nicholas Wong Yew Khid (*Chairman*)
Dato' Dr Azirul Salihin Bin Anuar (*Member*)
Chua Yeong Lin (*Member*)
Mah Soon Chai (*Member*)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482)

Vimalraj A/L Shanmugam
(MAICSA 7068140)

PRINCIPAL PLACE OF BUSINESS

Lot 16428, Kawasan Perindustrian
Selayang, 14km, Jalan Ipoh,
68100 Batu Caves,
Selangor Darul Ehsan.
Tel: 603 - 6136 2494
Fax: 603 - 6136 9308
Website: www.seacera.com.my

SHARE REGISTRAR/REGISTERED OFFICE

Boardroom.com Sdn. Bhd.
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-22980263
Fax: 03-22980268

AUDITORS

Al Jafree Salihin Kuzaimi PLT
(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 AUDITORS

MAC & Associates PLT
No: 135-2, Bangunan Indah UPC,
Batu 3 1/2, Jalan Old Klang Road,
58100 Kuala Lumpur.
Tel: 603 - 7982 7110
Fax: 603 - 7982 7110
Website: www.macinternalaudit.com

PRINCIPAL BANKERS

Ambank Islamic Berhad
Malayan Banking Berhad
SME Bank Malaysia Berhad
Export-Import Bank of Malaysia
Berhad
MBSB Bank Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market - Industrial Products
(Syariah Approved Shares)

Stock Name: SEACERA
Stock Code: 7073

Warrant Name: SEACERA WARRANT C
Stock Code: 7073WC
Expiry Date: 21 JAN 2021

CORPORATE STRUCTURE

SEACERA GROUP BERHAD

(163751-H) Incorporated in Malaysia

Business Address

Lot 16428, Kawasan Perindustrian Selayang, 14km, Jalan Ipoh, 68100 Batu Caves, Selangor Darul Ehsan.
Tel : 603 - 6136 2494 Fax : 603 - 6136 9308 Website: www.seacera.com.my

01

TRADING DIVISION

Trading and marketing of all kinds of tiles, building material products, personal protective equipment and foods & beverages.

Seacera Tiles Marketing Sdn. Bhd. (734278-P)
(100% Wholly Owned)

Seacera Polymer Sdn. Bhd. (509140-X)
(100% Wholly Owned)

Seacera Ceramics Sdn. Bhd. (128160-H)
(100% Wholly Owned)

Seacera Porcelain Sdn. Bhd. (182618-A)
(100% Wholly Owned)

02

CONSTRUCTION DIVISION

Provision of building works, civil & structural engineering, interior decoration and conservation.

Seacera Tech Sdn. Bhd. (880937-A)
(100% Wholly Owned)

Seacera Builders Sdn. Bhd. (731639-M)
(100% Wholly Owned)

03

PROPERTIES DIVISION

Owns several strategically located plots of land and buildings held for development and/ or investment properties.

Seacera Properties Sdn. Bhd. (403089-X)
(100% Wholly Owned)

Duta Nilai Holdings Sdn. Bhd. (184910-H)
(100% Wholly Owned)

Duta Skyline Sdn. Bhd. (338152-U)
(100% Wholly Owned)

DIRECTORS' PROFILE



DATO' DR AZIRUL SALIHIN BIN ANUAR

Nationality : Malaysian
Age : 42 Years Old
Gender : Male

Independent Non-Executive Director

Dato' Dr Azirul Salihin Bin Anuar was appointed to the Board on 16 January 2020. He holds a Medical Bachelor (Surgery) from University Malaya. Dato' Dr Azirul Salihin was appointed as Marketing and Executive Director of several private limited companies. Since 2018 until present, he holds directorship in other public company, Vertice Bhd.

He is the Chairman of the Board of Directors, a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company.

Dato' Dr Azirul Salihin Bin Anuar does not have any family relationship with any director and/or major shareholder(s), nor does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years and no sanction or penalty imposed on him by any regulatory bodies during the financial period ended 30 June 2020.



MAH SOON CHAI

Nationality : Malaysian
Age : 68 Years Old
Gender : Male

Independent Non-Executive Director

Mah Soon Chai was appointed to the Board on 16 January 2020. He holds a Degree in Economics, and Post Graduate Degree in Economics Statics from University of New England, Australia.

Since his return to Malaysia in 1995, he was mainly involved in telecommunication industry working for TIME group of companies after which he branched out into starting his own company. His company was the first to develop and operate a vending machine for mobile prepaid top up cards.

Currently, he is a freelance consulting services provider for companies that wishes to apply for ISO and GDPMD certification.

He is the member of Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company.

Mah Soon Chai does not have any directorship in other public companies. He does not have any family relationship with any director and/or major shareholder(s), nor does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years and no sanction or penalty imposed on him by any regulatory bodies during the financial period ended 30 June 2020.

DIRECTORS' PROFILE



CHUA YEONG LIN

Nationality : Malaysian
Age : 42 Years Old
Gender : Male

Independent Non-Executive Director

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 (Formerly known as Ire-Tex Corporation Berhad).

He is the Chairman of Audit and Risk Management Committee and member of Nomination and Remuneration Committee of the Company.

Chua Yeong Lin does not have any family relationship with any director and/or major shareholder(s), nor does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years and no sanction or penalty imposed on him by any regulatory bodies during the financial period ended 30 June 2020.



NICHOLAS WONG YEW KHUD

Nationality : Malaysian
Age : 39 Years Old
Gender : Male

Independent Non-Executive Director

Nicholas Wong Yew Khid was appointed to the Board on 29 November 2019. He holds a Bachelors Degree in Engineering, Victoria Brooke University.

Currently, he holds directorship in DGB Asia Berhad as Executive Director. He also is managing his own company in Automotive, Sport and Entertainment industry. In 2013, he was appointed as a Marketing Director with Lightwood Resources Sdn Bhd.

He is the Chairman of Nomination and Remuneration Committee and member of Audit and Risk Management Committee of the Company

Nicholas Wong Yew Khid does not have any family relationship with any director and/or major shareholder(s), nor does he have any conflict of interest with the Company. He has no convictions for any offences within the past 5 years and no sanction or penalty imposed on him by any regulatory bodies during the financial period ended 30 June 2020.

PROFILE OF KEY SENIOR MANAGEMENT



ZULKARNIN BIN ARIFFIN

Position	: Group Chief Executive Officer (CEO)
Nationality	: Malaysian
Gender / Age	: Male / 47
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	: None



MOHD FAIZAL BIN MD AMIN

Position	: Technical & Sales Manager
Nationality	: Malaysian
Gender / Age	: Male / 40
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 19 years of working experiences in tiles industry.
Directorship in public and listed issuers	: None



MOHD AMIR BIN ABDULLAH

Position	: Finance Manager
Nationality	: Malaysian
Gender / Age	: Male / 41
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 (previously 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 until now
Directorship in public and listed issuers	: None



ASMAWATI BINTI ABD RAHAMAN

Position	: Group Human Resources
Nationality	: Malaysian
Gender / Age	: Female / 44
Qualifications	: Diploma in Technology Management & Administration, University of Technology Malaysia (UTM)
Working Experience:	: She joined Seacera as the Manager of Human Resources & Administration on 1st April 2014. Puan Asma has 24 years of experience in the HR and Administration management
Directorship in public and listed issuers	: None

Additional Information of the Key Senior Management (KSM) of Seacera Group Berhad:-

1. Family Relationship : Save as disclosed, none of the KSM has any family relationship with any Director and/or major shareholder of Seacera Group Berhad.
2. Conflict of Interests : Save as disclosed, none of the KSM has any conflict of interests with Seacera Group Berhad.
3. Conviction for Offences : None of the KSM has any conviction for offences, other than traffic offences, for the past 5 years.
4. Public Sanction or Penalty : None of the KSM has any sanction or penalty imposed on them by any regulatory bodies during the financial year ended 30 June 2020.

CHAIRMAN'S STATEMENT

To the shareholders of Seacera Group Berhad

“Dear Valued Shareholders,

On behalf of the Board of Directors of Seacera Group Berhad (“Seacera” or “Group”), I would like to present to you our Annual Report and the Audited Financial Statements of the Group for the financial year ended (“FYE”) 30 June 2020.”



OVERVIEW

For the FYE 30 June 2020, Seacera recorded revenue of RM2.3 million and profit before tax was RM10.91 million.

In 2020, the Group recorded profit were mainly from reversal of future interest from financial institutions in prior year of RM20.8 million and dividend expense of RCPS of RM8.4 million.

The details on the performance of each division are disclosed under the management and discussion analysis at page 10 to page 11.

OUTLOOK

The COVID-19 pandemic has severely affected the global economy with growth projected to contract by 4.9% in 2020. For the second quarter of 2020 (“Q2 2020”), almost all countries recorded a negative growth. Economies of advanced countries contracted 8% with the US declining by 9.5%. With the exception of China (3.2%), emerging countries contracted by 5%.

The Malaysian economy contracted 17.1% during Q2 2020 attributed to weak domestic demand which shrunk 18.7%. Furthermore, sluggish external demand following heightened uncertainty contributed to the subdued economic performance during the quarter. However, on a monthly basis, GDP growth showed significant improvements from -28.6% in April to -19.5% in May and subsequently to -3.2% in June 2020.

- Private consumption declined 18.5% due to reduced household spending with the implementation of the Movement Control Order (“MCO”).
- Private investment remained subdued at 26.4% largely due to lower capital outlays, affected by uncertainty caused by the outbreak.
- Public consumption expanded 2.3% on account of higher expenditure related to health, safety and security segments.
- Public investment contracted further to 38.7% mainly due to lower capital spending by public corporations.

On the production side, all sectors in the economy recorded sluggish performance except agriculture.

- The services sector contracted 16.2% weighed down by wholesale and retail trade (-23.3%); food & beverages and accommodation (-40.9%); as well as transportation and storage (-44.8%).
- The manufacturing sector declined 18.3% affected by lower production of electrical, electronic and optical products (-8.8%); petroleum, chemical, rubber and plastic products (-13.3%); as well as non-metallic mineral products, basic metal and fabricated metal products (-40.2%). Nonetheless, vegetable and animal oils & fats and food processing industries expanded 9.2% supported by increasing demand for food-related products.

Chairman's Statement (continue)

- The construction sector decreased significantly by 44.5% following contraction in all subsectors: civil engineering (-59.4%), residential buildings (-39.2%), non-residential buildings (-36.8%) and special trade activities (-29.8%).
- The agriculture sector grew 1% supported by expansion in the oil palm (7.5%), other agriculture (4.5%) and livestock (1.3%) subsectors. On the contrary, forestry and logging as well as rubber subsectors contracted 22.3% and 22.1%, respectively.
- The mining sector recorded a double-digit decline of 20% due to lower production of crude oil and condensate (-21.5%) as well as natural gas (-18.7%).

Total trade contracted 14.7% to RM393 billion while trade surplus decreased 9.1% to RM27.6 billion. Gross exports declined 14.3% due to lower exports of manufactured, agriculture and mining goods in line with the subdued performance of global trade. At the same time, gross imports dropped 15.1% due to lower imports of intermediate and consumption goods.

The current account remained in surplus of RM7.6 billion or 2.5% of gross national income ("GNI") mainly supported by surplus in goods account and lower deficit in income account.

(Source: Malaysian Economy Second Quarter 2020, Ministry of Finance Malaysia)

PROSPECTS

Group has been exploring new opportunities and holding strategic discussions with its professional advisers to review its capital and business structure to gear itself to exit the Practice Note 17 ("PN17") status. Currently the Group actively pursuing the formalisation and implementation of the regularisation plan and it requires deep consideration to reach the best outcomes. The past performance and current accomplishment are detailed in the Management Discussion and Analysis section.

In June 2020, the Group further announced, its wholly-owned subsidiary, Seacera Polymer Sdn Bhd ("SPSB") had entered into an Exclusive Distribution Agreement ("Agreement") with Xidelang Holdings LTD ("XH LTD") to appoint SPSB as a distributor for the sale and distribution of Personal Protective Equipments ("PPE") products in all states of Malaysia.

The targeted customers for the protective clothing products are the public/civilians, the private and public enterprises and/or users in the healthcare/manufacturing industries. Our ability to supply is dependent on our range

of products meeting their requirements.

Apart of PPE, Seacera Tiles Marketing Sdn Bhd, one of Seacera's subsidiary had venture into fruits and frozen food business trading in September 2020. Seacera believes that the food and beverages industry is expected to be a resilient business. Although very competitive, but due to the current wave of Covid-19 pandemic, we anticipate consumers preference to stay and eat at home rather than eating out. Seacera may seek to add additional F&B's products if having potential market acceptance.

CORPORATE SOCIAL RESPONSIBILITY

In routing our business towards future sustainable practices, Seacera's aspires to be recognized as a Group and continued to build and strengthen our sustainability platform across all of our business operations.

The recent outbreak of the Covid-19 pandemic has deeply affected all business and activities around the world. With new norms enforced by governments, we all have a role to play in caring for ourselves, our families, and our communities during this trying period.

Our corporate responsibility drive focuses on the workplace, environment and community.

WORKPLACE

Seacera believes a healthy workplace environment is ideal when it comes to maintaining a positive outcome in a stressful atmosphere. The Company believe thing that influences employee motivation and happiness, and how productive and efficient they can be, dependent on their working environment.

A healthy workplace environment is good for Seacera as it would bring sales and improved business. A healthy workplace environment improves productivity and reduces costs related to absenteeism, turnover, workers' compensation, and medical claims. Additional incentive offered to staff will motivates them to assist the company in increasing the sales.

Seacera is also committed following the Covid-19 SOP and in ensuring a safe working environment for all employees and others involved in or affected by its operation, taking into account legislative requirements and any other applicable laws and regulations.

Implementation and effectiveness of these polices are the shared responsibility of management and all its employees. The participation and involvement of Seacera's Management and its employees cooperation, participation and compliance with the organization's

Chairman's Statement *(continue)*

policies, procedure and work systems at all levels.

Management of Seacera will regularly review the effectiveness of these policies to ensure continuous improvement and adequate resources, training and instructions shall be provided to its employees.

The policies will be monitored and reviewed periodically or whenever necessary to ensure that it remains relevant and appropriate.

ENVIRONMENT

Distribution is an important activity in the integrated supply-chain of medical device. Various people and entities are generally responsible for the product sourcing, procurement, transportation, delivery, storage, device tracking, installation, commissioning, service and maintenance, calibration, need to be appropriately managed and controlled to ensure the safety and performance of medical devices at the point of use. In some cases, however, a person or entity is only involved in and responsible for certain elements of the distribution process. The level of risks associated with these activities may be of similar degree as those in the manufacturing environment and the lack of control over these activities may affect safety and performance of the devices. The Good Distribution Practice for Medical Devices ("GDPMD") is developed to elucidate the requirements for an appropriate management and control of these activities.

Recently, SPSB has been awarded GDPMD certificate to ensure appropriate management and control of these PPE activities.

COMMUNITY

Seacera offer certain PPE products such as facemask, thermometer, and handsanitizer for donation to mosques and schools.



More than 100 mosques and schools received our PPE products and benefited from the programmes.

A WORD OF THANKS

On behalf of Board of Directors, I wish to thank our customers, suppliers and business association for their invaluable support in making Seacera's business sustainable until today.

The Board would also like to extend our sincere appreciation to the employees for their continuing hard work to grow our Group, and their commitment and dedication to survive together in this challenging phase.

I would like to express my appreciation to my fellow Board members for their commitment and dedication in ensuring the best practice of the code of ethics. Good corporate governance plays an integral and crucial role in managing the Group's business risks and opportunities.

The Board also wish to express our gratitude for the services rendered by the past directors and staffs of the Company. And finally, to our esteemed shareholders, our sincere thank you for your untiring support and continued trust in us. We continue to embarking on new opportunities for the Group in the next financial year.

Thank you and best wishes,

Yang Berbahagia,
Dato' Dr Azirul Salihin Bin Anuar
Chairman of Seacera Group Berhad

14th October 2020

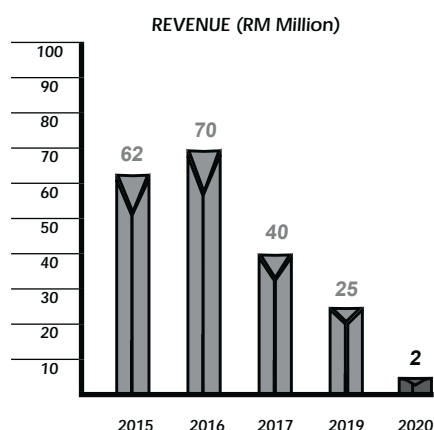


MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors and Management of Seacera Group Berhad ("Seacera" or "the Company") are pleased to present the Management Discussion & Analysis on Group's business and operation for the financial year ended 30 June 2020. Seacera consist of three (3) main divisions, trading, properties and construction whereas the main activity under the trading division is trading of tiles.

TRADING DIVISION

For the financial year under review, Seacera's Trading Division registered revenue of RM2.3 million compared to RM20.9 million in the previous financial year due to no other reason as pandemic Covid-19 badly affected the economy not only in Malaysia but globally. Many of tiles supplied by Seacera are put on hold or delayed due to construction site need to minimize the workers on site. These main factors have led to trading on tiles recorded huge decreased of revenue. However, trading division making a profit before tax of RM10.4 million compared to a loss before tax of RM96.32 million in the previous financial year. The profit mainly due from reversals of future interest/profit from financial institutions in prior year of RM20.8 million and RCPS dividend expense of RM8.4 million.



Trading of Tiles

Currently with Covid-19 situation, Seacera only trades the available tiles in Selayang Warehouse. Depending on the demand, Seacera will continue to import the tiles based on request by customers.



Trading of Building Materials

Similar like tiles, building materials industry also significantly affected by current Covid-19 situation. Nevertheless, Seacera still continue doing this business and continue buy and sell depending on the customers' demand.

Among the building materials products trading by Seacera are sanitary wares and fittings, concrete products, cements and other general products.



Management Discussion and Analysis *(continue)*

NEW TRADING BUSINESS

Apart from trading tiles and building materials, Seacera has venture into three (3) new business, summarize as below:

Trading of Personal Protective Equipment ("PPE")

Presently, due to Covid19, Seacera itself need the PPE to protect the staff. As the opportunity come, Seacera met the suppliers that offer wide range of PPE items with competitive pricing. In May 2020, Seacera consistently receive the orders not only from private companies but also from the government agencies. Among the products currently sell by Seacera are facemask, faceshield, handsanitizer, thermometer, gloves, PPE suits and other disinfectant items.



Trading of Foods and Beverages (F&B)

Recently, Seacera through its subsidiary, Seacera Tiles Marketing Sdn Bhd has started trading F&B products namely Premium Fruits and Frozen Food. About 30 types of fruits and 20 types of frozen food have been advertised and received good response from publics.



CONSTRUCTION DIVISION

During Year 2020, the contribution from Construction Division is not significant mainly due to large projects secured have been completed. Among the large projects completed which were recorded by the Group:

No.	Project	Value (RM)	Year complete
1.	Tenera Hotel, Bangi	147 mil	2019
2.	Tok Bali Road, Kelantan	49 mil	2019
3.	Kompleks Darul Kifayah, Gombak	21 mil	2015

The Group is always looking at opportunity of securing large construction projects and has always in engagement with relevant parties. We are positive that our efforts in this area will be fruitful which can eventually give significant contribution to the Group.

Management Discussion and Analysis *(continue)*

PROPERTY DEVELOPMENT

Under financial period 2020, Seacera held several lands and buildings around Malaysia. Currently, under Seacera Properties Sdn Bhd, Seacera owned a piece of land approximately 501.5 acres in Semenyih, Selangor (Lot 613 Land). Based on 2016 valuation, previously taken by the Company, the market value of land is approximately of RM786.43 million. As for now, the assets still remain as previous year and still looking for disposal in raising the Group cash.

Seacera have signed JVDA with OCR Group Bhd with minimum guaranteed development value of RM10 billion over the development period of 15 to 25 years.

There are also a potential quarry and sand business on Lot 613 which we can extract the potential income via lease the land to quarry operators and record income base on sold products with minimum monthly guarantee income. We estimate between RM200, 000 to RM500,000 monthly income depending on the rate and size of output.

No	Description	Market Value (RM million)	Acquisition or Valuation Date	Nature of Holdings
1.	Parcel No.A01-01, Ground Floor Hexagon Tech Park Georgetown, Pulau Pinang. Held under Master Title Geran No. 62531, Lot 862, Section 10, Town of Georgetown, District of North East, State of Pulau Pinang.	10.00	21 August 2008	Freehold
2.	No. 32, Jalan SS19/1D, SS19, Subang Jaya, 47500 Subang Jaya, Selangor Darul Ehsan. Held under Individual Title GRN 293193, Lot No. 6240, Bandar of Subang Jaya, District of Petaling, Selangor Darul Ehsan.	4.50	16 June 2017	Freehold
3.	No. 8-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan. Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	19 April 2010	Leasehold
4.	No. 6-3B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan. Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	6 May 2010	Leasehold

No	Description	Market Value (RM million)	Acquisition or Valuation Date	Nature of Holdings
5.	No. 17-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan. Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	6 May 2010	Leasehold
6.	No. 35-3B, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Held under Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	5 July 2010	Leasehold
7.	No. 11A-2AB, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	26 June 2010	Leasehold
8.	No. 9-2A-B, Jalan OS 1/3, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Held under Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	0.25	20 October 2010	Leasehold
9.	PM249, M1-B Tingkat 4, Petak 105, Lot 52019, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	0.26	17 October 201	Leasehold
10.	PT 23041, PT23042 & PT24244 Mukim Asam Kumbang, District of Larut & Matang, State of Perak Darul Ridzuan.	22.02	10 June 2015	Leasehold
11.	Lot 613, Geran 23940, Mukim Ulu Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan.	786.00	28 September 2020	Freehold
12.	Lot No. 1749, Mukim Of Tangga Batu, District Of Melaka Tengah, State Of Melaka.	16.90	20 March 2017	Leasehold
Total		841.18		

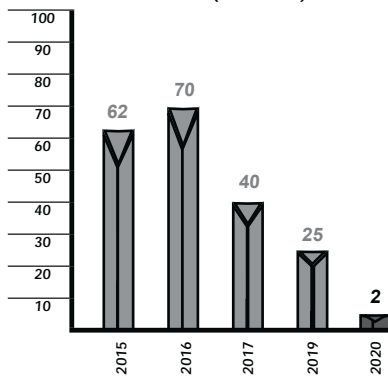
The challenging impact of the COVID-19 pandemic will stretch expectedly until end of next year and the business recovery remains uncertain.

Due to uncertain market condition ahead, the Group will continue to take necessary measures and continue to explore ways to improve the Group's performance.

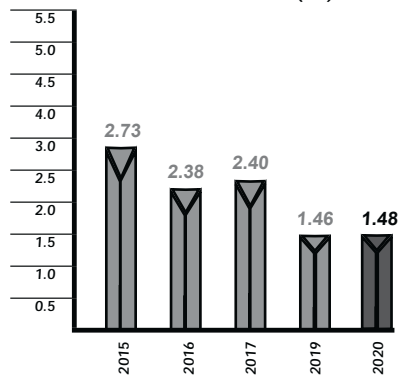
Management Discussion and Analysis *(continue)*

FINANCIAL HIGHLIGHTS

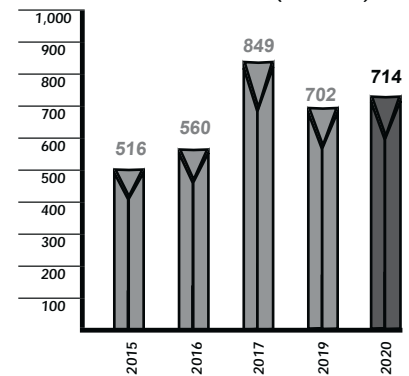
REVENUE (RM Million)



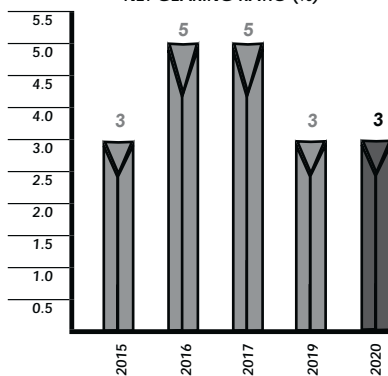
NET ASSET PER SHARE (RM)



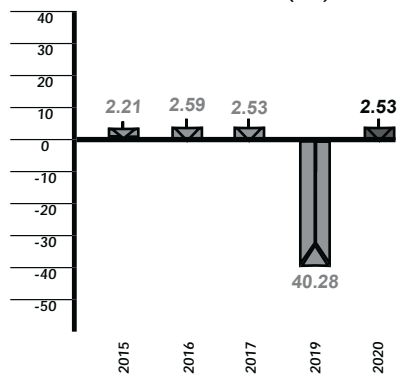
SHAREHOLDERS' FUND (RM Million)



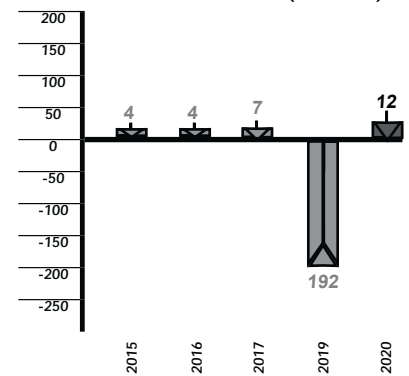
NET GEARING RATIO (%)



EARNING PER SHARE (SEN)



NET PROFIT FOR THE YEAR (RM Million)



SUSTAINABILITY STATEMENT

Seacera Group Berhad ("Seacera" or "Company") is dedicated to taking the concerns of our stakeholders seriously and thus, we are committed to take into consideration the path of sustainable growth. The economic, environmental and social ("EES") impacts are essential considerations of Seacera and instrumental in affecting ethical work practices. The Company's activities for the financial year ended 30 June 2020 ("FYE 2020") encompass trading of tiles, building materials and personal protective equipment.

Sustainability Working Group

As part of our commitment towards sustainability, we established a Sustainability Working Group comprise of Heads of Department. The Sustainability Working Group is chaired by Group Chief Executive Officer.

The meeting will be conducted at least once a month to monitor and review the sustainability matters.

Working towards Sustainability

Various initiatives and efforts were implemented during FYE 2020 recorded as below:

EES Factors	Stakeholders	Concerns	Initiatives and efforts taken
1. Economic	a) Customers	(i) Product Responsibility	- Our commitment to product safety and quality - Product sampling
		(ii) Customer Satisfaction	- Customer surveys - Promotion campaigns
		(iii) Helping small entrepreneur	- Special price for agents - Periodic Offering
	b) Suppliers	(i) Pricing	- Pricing review - Approaching new suppliers for best price
	c) Shareholders and Investors	(i) Regulatory Compliance and Financial Stability	- Media Release - Bursa Announcement - Annual Report - Annual General Meeting
	d) Government and Regulatory authorities	(i) Compliance with relevant rules and regulations	- Engaged professional bodies such as company secretaries, internal and external auditor, lawyers and advisers. - Complied with various licences
2. Environmental	a) Environment	(i) Protecting the environment	- Reduce consumption of resources and waste - Paper usage reduction - Implement energy saving by using LED light - Adopt waste management procedure
3. Social	a) Employees	(i) Workplace	- High performance culture - Respect and value diversity - Development through training - Safety place
	b) Community	(i) Social and Welfare Contributions	- Products and monetary contributions to the less fortunate

Sustainability Statement *(continue)*



**Medical Device
AUTHORITY
MALAYSIA**



**CERTIFICATION
INTERNATIONAL**
MDA/CAB-012

PROVISIONAL CERTIFICATE OF CONFORMITY
Good Distribution Practice For Medical Device

This is to certify : Seacera Polymer Sdn Bhd
Lot 16428, 14km, Jalan Ipoh,
Kawasan Perindustrian Selayang,
68100 Batu Caves,
Selangor Darul Ehsan,
Malaysia.

Certificate No. : CICM/MDA/10031 GDPMD

has complied with the Regulatory Requirements of GDPMD as stipulated in MDA/RR No 1: November 2015,
First Revision pursuant to Appendix 4, Third Schedule of Medical Device Regulations 2012.

Scope of certification : Local Authorised Representative, import, storage and handling, warehousing and distribution of
cross contamination personal protection equipment/ devices, clinical thermometers,
disinfectants and hand sanitizers.

Revision No. : 0

Issue Date : 08 October 2020

Expiry Date : 07 October 2021

Attachments:

1. List of Devices Dealt with by the Establishment.
2. Other Premises of Establishment Details.
3. Info on Premises of Outsourced Activities/ Processes.

Authorized by:

OOI SOO KANG
Director of Certification



CI International Certification Sdn Bhd (Co. No.: 515984-M)
No. 37-4, Jalan SP 2/2, Serdang Perdana, Seksyen 2, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

www.socotec-certification-international.com
www.cimalaysia.com.my



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Seacera Group Berhad ("Company") is committed to ensure that the adequate standards of Corporate Governance are practiced throughout the Company and its subsidiaries (collectively the "Group") towards enhancing business prosperity and corporate accountability to realize long term shareholders' value. The Board is working towards ensuring full compliance with principles and best practices of Malaysian Code on Corporate Governance that was implemented on 26 April 2017 ("MCCG").

The Board is pleased to report to shareholders on the manner the Group has applied the three (3) main principles known as Board Leadership and Effectiveness (Principle A), Effective Audit and Risk Management (Principle B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principle C) throughout the financial year ended 30 June 2020. This Corporate Governance Overview Statement should be read together with Corporate Governance Report 2020 which is available on the Company's website at www.seacera.com.my.

Principle A: Board Leadership and Effectiveness

I Board Responsibilities

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

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 financial performance and crucial business issues, like principal risks and their management, succession planning for senior management, investor relations programme and shareholders communication policy, systems for internal control and compliance with laws and regulations.

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

- Reviewing and adopting a strategic business plan for the Group.
- Overseeing the conduct of the business of the Group.
- Identifying and putting in place systems to manage any principal risk.
- Succession planning for senior management.

- Developing and implementing investor relations programme or shareholder communications policy.
- Reviewing internal control and management information systems.

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:-

- (a) Audit & Risk Management Committee ("ARC")
- (b) Nomination and Remuneration Committee ("NRC")

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

- * **DATO' DR AZIRUL SALIHIN BIN ANUAR**
Chairman, Independent Non-Executive Director
- ** **NICHOLAS WONG YEW KHID**
Independent Non-Executive Director
- * **MAH SOON CHAI**
Independent Non-Executive Director
- * **CHUA YEONG LIN**
Independent Non-Executive Director
- * *Appointed on 16 January 2020*
- ** *Appointed on 29 November 2019*

The Directors are credible professionals of calibre, who play key supporting roles by contributing their knowledge, guidance and experience towards making independent judgment on issues of strategies, performance, resources and standards of conduct. The Directors ensure that the strategies proposed by the Management are fully discussed and examined and the long-term interests of the shareholders, employees, suppliers and customers are taken into account.

The Board is supported by qualified and experienced company secretaries who facilitate overall compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("MMLR") and other relevant laws and regulations.

The company secretaries of the Company are qualified to act as company secretaries under Section 235 of the Companies Act 2016. The company secretaries play important roles in ensuring adherence to the Board policies and procedures from time to time.

Corporate Governance Overview Statement *(continue)*

The company secretaries carry out the following tasks:

- Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM");
- Ensure that deliberations at the meetings are well captured and minuted, and subsequently communicated to the relevant Management personnel for necessary actions;
- Ensure that the Company complies with the MMLR and the requirements of the relevant authorities;
- Inform and keep the Board updated of the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements and best practices;
- Keep the Directors and principal officer informed of the closed period for trading in the Company's securities; and
- Ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books and documents.

The Board convenes on scheduled meetings quarterly to deliberate and approve the Group's quarterly results. Additional meetings will be convened as and when needed. The agenda and Board papers for each item as well as minutes of previous meetings are circulated prior to the Board meetings to give the Directors sufficient time to deliberate on the issues to be raised at the Board meetings.

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

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 advice and services of the company secretary. Where necessary, the Directors engage independent professional for advice at the Group's expense to enable them to discharge their duties with 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 abstained from voting or deliberating on a particular matter. Upon conclusion of the meeting, the Board also ensures the minutes are circulated in a timely manner. External auditors and internal auditors are invited to

attend meetings to provide insights and professional views, advice and explanation on matter specify in the meeting agenda. When necessary, senior management team from different department are also invited to participate at the Board meeting to enable all Board members to have equal access to the latest updates and development of the business operation presented by the senior management team.

2.0 There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its 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 to be implemented.

The Board has established clear functions reserved for the Board and those delegated to Management in the Charter which serves as a reference point for Board's activities. The Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical 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 at www.seacera.com.my.

3.0 The Board is committed to promoting 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 is considered acceptable behavior and practice in the Company.

The Company has also formalized a set of ethical standards through a Code of Conduct and Ethics, which is subject to periodical review, to ensure Directors practice ethical, business like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. The Board has reviewed the Code of Conduct and Ethics on 22 November 2019. The Code of Conduct and Ethics is published on the Company's website at www.seacera.com.my.

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, full details of which are made available at the Company's website at www.seacera.com.my.

Corporate Governance Overview Statement *(continue)*

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

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 requirement of paragraph 15.02 of the MMLR which requires majority of the Board of Directors are made up of Independent Non-Executive Directors. The Board currently consists of four (4) Directors, all of whom are Independent Non-Executive Director.

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

The Board collectively views that its current size complies with the MMLR and is effective. The Board will also review, from time to time, the need to revise its size and composition of the Board and determine the impact and the effectiveness of any proposed change of its current size.

The Board has considered and found that the current size of the Board is adequate and facilitates effective decision-making.

The NRC has reviewed the present composition of the Board and the two (2) main existing board committees and is satisfied that they have adequately carried out their functions within their scope of work.

The Company does not have a policy on the tenure of Independent Director, however, the Company recognizes MCCG's recommendation that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, the Independent Director may

continue to serve on the Board as an Independent Director subject to assessment by the Board and shareholders' approval at the general meeting. If the Board continues to retain the Independent Director after the twelfth year, the Board may consider seeking shareholders' approval through a two-tier voting process.

The Board recognizes the importance of independence and objectivity in the decision making process. The Board is committed to ensure that the Independent Directors are capable to exercise independent judgment and act in the best interests of the Group.

The Independent Directors of the Company fulfilled the criteria of "Independence" as prescribed by MMLR. They act independently of management and are not involved in any other relationship with the Group that may impair their independent judgment and decision making.

Each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest in relation to any material transactions. Such a situation may arise from external associations, interests or personal relationships. The Director is required to immediately disclose to the Board and to abstain from participating in discussions, deliberations and decisions of the Board on the respective matters.

The Board, via NRC has developed the criteria to assess independence and formalized the current independence assessment practice. Each Independent Director has provided his own declaration of Director's Independence to the Board.

The Board appoints its members through a formal and transparent selection process, which is consistent with the Memorandum and Articles of Association ("M&A") of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NRC. The NRC will then recommend the candidates to the Board for appointment as director of the Company. The company secretary will ensure all appointments are properly made and that legal and regulatory requirements are met.

The M&A of the Company requires that all Directors shall be subject to re-election by shareholders at the first opportunity after their appointment and that at least one third (1/3) or the number nearest to one third (1/3) of the Directors, be subject to re-election by rotation.

Corporate Governance Overview Statement *(continue)*

Every Director must retire from office at least once in every three (3) years at the AGM. Newly appointed directors shall hold office only until 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, sufficient information such as personal profile, meetings attendance and their shareholdings in the Group of each Director standing for re-election are furnished in the Annual Report.

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

There were changes to the composition of the Board during the financial year under review. Dato' Dr Azirul Salihin bin Anuar, Mah Soon Chai and Chua Yeong Lin were appointed as additional Directors of the Company with effect from 16 January 2020.

All directors of the Company do not hold more than five directorships in public listed companies and complied with paragraph 15.06 of MMLR.

The Board held ten (10) Board Meetings during the financial year. The details of attendance of each individual Director are as follows:-

Name	Meetings attended
⁽¹⁾ Dato' Dr Azirul Salihin Bin Anuar ¹	2/2
⁽¹⁾ Mah Soon Chai	2/2
⁽¹⁾ Chua Yeong Lin	2/2
⁽²⁾ Nicholas Wong Yew Khid	4/4
⁽³⁾ Dato' Nik Ismail Bin Dato' Nik Yusoff	6/6
⁽³⁾ Mazlan Bin Mohamad	6/6
⁽³⁾ Dato' Mejar Ismail Bin Ahmad	6/6
⁽³⁾ Datuk Seri Mansor Bin Masikon	5/6
⁽³⁾ Ishak Bin Ismail	4/6
⁽³⁾ Koo Kien Yoon	6/6
⁽³⁾ Wan Mohd Zahari Bin Wan Embong	5/6
⁽³⁾ Zamri Bin Mohd Ramli	5/6
⁽³⁾ Saharom Bin Mohd Adas	5/6
⁽⁴⁾ Dr Zulqarnain Bin Lukman	4/6

Name	Meetings attended
⁽⁶⁾ Dato' Seri Abdul Azim Bin Mohd. Zabidi	1/2
⁽⁷⁾ Ling Chi Hoong	1/1
⁽⁸⁾ Halim @ Ab Halim Bin Ismail	0/1
⁽⁸⁾ Rozaidi Bin Baharudin	1/1
⁽⁹⁾ Yong Ket Inn	1/2
⁽⁹⁾ Chong Loong Men	1/1
⁽⁹⁾ Chu Chee Peng	2/2
⁽⁹⁾ Shi' aratul Akmar Binti Sahari	1/1
⁽¹⁰⁾ YM Tengku Ahmad Badli Shah Bin Raja Hussin	2/2
⁽¹⁰⁾ Mohd Adzhar Bin Abd Hamed	1/2

⁽¹⁾ Appointed on 16 January 2020

⁽²⁾ Appointed on 29 November 2019

⁽³⁾ Retired on 29 November 2019

⁽⁴⁾ Resigned on 4 November 2019

⁽⁶⁾ Resigned on 4 December 2019

⁽⁷⁾ Resigned on 23 December 2019

⁽⁸⁾ Resigned on 26 December 2019

⁽⁹⁾ Resigned on 27 December 2019

⁽¹⁰⁾ Resigned on 26 February 2020

The Board members are encouraged to attend training programmes to update their knowledge on various issues facing the changing business environment. These will enhance their professionalism and knowledge to effectively discharge their roles and responsibilities and sustain participation in the Board deliberations. All the Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities.

During the financial year ended 30 June 2020, the following training programmes and seminars were attended by the following Directors:

Director	Name of conferences / seminars and training programmes attended
Datuk Seri Mansor Bin Masikon	The Convergence of Digitisation and Sustainability
Dato' Nik Ismail Bin Dato' Nik Yusoff	- Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability

Corporate Governance Overview Statement *(continue)*

Director	Name of conferences / seminars and training programmes attended
Mazlan Bin Mohamad	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Mejar Dato' Ismail Bin Ahmad	- The Convergence of Digitisation and Sustainability - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Dato' Seri Abdul Azim Bin Mohd. Zabidi	N/A
Ishak Bin Ismail	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Dr Zulqarnain Bin Lukman	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Koo Kien Yoon	-Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Wan Mohd Zahari Bin Wan Embong	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Zamri Bin Mohd Ramli	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability
Saharom Bin Mohd Adas	- Mandatory Accreditation Programme (MAP) by ICLIF - Section 17A of MACC Act 2016, Corporate Governance, Risk Management & Sustainability

Director	Name of conferences / seminars and training programmes attended
Halim @ Ab Halim Bin Ismail	N/A
Ling Chi Hoong	N/A
Rozaidi Bin Baharudin	N/A
Yong Ket Inn	N/A
Chong Loong Men	N/A
Chu Chee Peng	N/A
Shi' aratul Akmar Binti Sahari	N/A
YM Tengku Ahmad Badli Shah Bin Raja Hussin	N/A
Mohd Adzhar Bin Abd Hamed	N/A
Dato' Dr Azirul Salihin Bin Anuar	N/A
Mah Soon Chai	- Mandatory Accreditation Programme (MAP) by Asia School of Business (ICLIF Executive Education Center)
Chua Yeong Lin	N/A
Nicholas Wong Yew Khid	N/A

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors

The NRC consists of four (4) members, all of whom are Independent Non Executive Directors.

The functions of the NRC are as follows:

- Recommend to the Board the candidates for all directorships to be filled by the shareholders or the Board.
- Recommend to the Board the Directors to fill the seats on Committees of Directors.
- Review the required mix of skills and experience and other qualities including core competencies which Non-Executives should bring to the Board.
- Assess the effectiveness of the Board as a whole, the Committees of Directors and the contribution of each Director.
- Review on annual basis the term of office of each ARC members and performance of the Audit Committee and each of its members.

Corporate Governance Overview Statement *(continue)*

The Board has established a nomination process of board members to facilitate and provide a guide for the NRC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.

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

The Company conducts an annual assessment to evaluate the effectiveness of the Board and the Board committee as well as the performance of each individual director through the NRC. The NRC will evaluate the overall performance rating and implement improvement plan on less performance area.

The summary of the activities of the NRC during the financial year ended 30 June 2020 are as follows:

- Reviewed the mix of skill and experience and other qualities of the Board and recommended to the Board for approval.
- Assessed the effectiveness of the Board as a whole, the Board committees and the Directors.
- Discussed the Company's Directors' retirement by rotation.
- Reviewed the term of office of each of the Board members.

During the financial year, the NRC has reviewed the present composition of the Board and was of the view that the Board composition was made up of a balance mixture of skills and professionalism, no additional board member is required for the time being.

All Directors have completed the Director's Self-Assessment Form and the Performance Evaluation Sheet (PES) for the assessment of the Board and Board Committees.

In summary, the NRC noted that performance of the Board of Directors, Board Committees and individual Directors was adequate.

During the financial year ended 30 June 2020, the attendance of each member as follows:

Nomination and Remuneration Committee

Name	Meetings attended
Dato' Mejar Ismail bin Ahmad (Previous Chairman)	1/1

Name	Meetings attended
Dato' Nik Ismail bin Dato' Nik Yusoff (Previous member)	1/1
Datuk Seri Mansor Bin Masikon (Previous member)	N/A
Dr Zulqarnain bin Lukman (Previous member)	N/A
Ishak Bin Ismail (Previous member)	1/1
* Nicholas Wong Yew Khid (Current Chairman)	N/A
* Chua Yeong Lin (Current member)	N/A
* Mah Soon Chai (Current member)	N/A
* Dato' Dr Azirul Salihin Bin Anuar (Current member)	N/A

* Appointed as Chairman and members of NRC on 30 April 2020

Based on the current position and practices of the Company, the Nomination and Remuneration Committee upon its review on the composition of the Board was satisfied that the Board structure, size, composition, mix of skills and qualities of the Directors were appropriate and conformed to the best practices in the MCCG.

III Remuneration

6.0 The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The Board recognized that the NRC should only consist of Non Executive Directors where a majority of them must be Independent Directors. The Company fulfills this requirement whereby all of the NRC are Independent non-executive directors.

The NRC is responsible to review and recommend the remuneration of Directors to the Board. The Board, as a whole, determines the remuneration of the Directors and the individual Director would abstain from discussing on his own remuneration.

Corporate Governance Overview Statement *(continue)*

The Non-Executive Directors are remunerated based on their experiences and the level of responsibilities undertaken by the respective Non-Executive Directors concerned.

The NRC will make its recommendations to the Board regarding the Company's policy on the staff remuneration by taking into consideration the salary and employment conditions within the industry and benchmarks from comparable companies.

The NRC strives to be competitive, linking staff rewards with their performance and responsibilities.

The NRC aims to directly align the interests of Directors, Senior Management and key Executives with the interests of shareholders, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to 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 is commensurate with their individual performance, taking into consideration the company's performance.

The remuneration paid or payable to all Directors of the Company for the financial year ended 30 June 2020 is as follows:-

	Company							
	Salaries	Fees	Bonus	Allowance	EPF	Socso	Other Benefits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Executive								
Mazlan Bin Mohamad		15,000		5,000				20,000
Sub Total		15,000		5,000				20,000
Non Executive								
Dato' Nik Ismail Bin Nik Yusoff		25,000		5,000				30,000
Datuk Seri Mansor Bin Masikon		24,484		4,000				28,484
Dato' Mejar Ismail Bin Ahmad		15,000		5,000				20,000
Ishak Bin Ismail		15,000		5,000				20,000
Dr Zulqarnain Bin Lukman		6,000		1,000				7,000
Koo Kien Yoon		15,000		5,000				20,000
Wan Mohd Zahari Bin Wan Embong		15,000		5,000				20,000
Zamri Bin Mohd Ramli		15,000		5,000				20,000
Saharom Bin Mohd Adas		15,000		5,000				20,000
Dato' Seri Abdul Azim Bin Mohd. Zabidi				1,000				1,000
Haji Halim @ AB Halim Bin Ismail		7,320						7,320
Ling Chi Hoong				1,000				1,000
Rozaidi Bin Baharudin				1,000				1,000
Yong Ket Inn				1,000				1,000
Chong Loong Men								-
Chu Chee Peng				2,000				2,000
Shi'aratul Akmar Binti Sahari				1,000				1,000
YM Tengku Ahmad Badli Shah Bin Raja Hussin				2,000				2,000
Mohd Adzhar Bin Abd Hamed				1,000				1,000

Corporate Governance Overview Statement *(continue)*

	Company							
	Salaries	Fees	Bonus	Allowance	EPF	Socso	Other Benefits	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Non Executive								
Dato' Dr Azirul Salihin Bin Anuar		5,000						5,000
Mah Soon Chai		3,000						3,000
Chua Yeong Lin		3,000						3,000
Nicholas Wong Yew Khid		3,000		2,000				5,000
Sub-total		166,804		52,000				218,804
Total		181,804		57,000				238,804

Remuneration paid to four (4) key Senior Management (who are not the Directors) of the Company for the financial year ended 30 June 2020 are as follows:-

Key Senior Management	Company	Group
From RM10,000 to RM50,000	1	0
From RM51,000 to RM100,000	2	0
From RM101,000 to RM150,000	0	0
From RM151,000 to RM200,000	0	0
From RM201,000 to RM250,000	1	0

The remuneration of the key Senior Management of the Company as disclosed above is on an aggregate basis. At this particular juncture, the Board is of the opinion that the disclosure of the Senior Management's various remuneration components (salary, bonus, benefits in-kind, other emoluments) would not be in the best interest of the Group due to confidentiality and security concerns.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit & Risk Management Committee ("ARC")

8.0 There is an effective and independent ARC. The board is able to objectively review the ARC's findings and recommendations. The company's financial statement is a reliable source of information.

The ARC principle duties 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 ARC comprises exclusively Independent Non-Executive Directors and to ensure the Board is able to review the ARC's finding and recommendation independently, the chairman of ARC is not the chairman of the Board.

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 the annual financial statements and quarterly announcement of financial results. The Board is assisted by the ARC to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial period and of their results and cash flows for the financial period then ended. In preparing the financial statements, the Directors have ensured that Applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 2016 and the MMLR have been applied.

Corporate Governance Overview Statement *(continue)*

In preparing the financial statements, the Board is required to:-

- Adopt suitable accounting policies consistently;
- Make judgments and estimates that are prudent and reasonable;
- Comply with applicable accounting standards;
- Prepare financial statements on a going concern basis unless otherwise stated; and
- Ensure proper keeping of accounting records with reasonable accuracy.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

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 ARC, 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 Group practices the cooling off period to safeguard the independence of the audit by avoiding potential threat which may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements.

The ARC assessed the suitability and independence of the external auditors. In its assessment, the ARC considered several factors, which included adequacy of experience and knowledge of the relevant accounting standards, ability to meet deadlines, quality and quantity of human resources used to perform the assigned audit, clarity of presentations and quality of reports produced and independence of Messrs. Al Jafree Salihin Kuzaimi PLT ("Salihin").

Messrs. Salihin confirmed that they have been independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, throughout their engagement.

The ARC is satisfied with the performance, technical competency and independence of the external auditors. Thus, the ARC recommended the appointment of the external auditors and the Board at its meeting held on the same day approved the ARC's recommendation for the shareholders'

approval to be sought at the forthcoming Thirty-Fifth AGM.

II Risk Management and Internal Control Framework

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

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

The key features of the risk management framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on page 30 to 31 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 and risk management functions.

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 the person who is responsible for internal audit and he also has a certified qualification as internal auditor. The internal audit function is carried out in accordance with a recognised framework.

The Statement on Risk Management and Internal Control furnished on page 30 to 31 of the Annual Report provides an overview on the state of internal controls within the Group, in its effort to manage risk. 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 to the regulators, shareholders and stakeholders.

Corporate Governance Overview Statement *(continue)*

On this basis, the Board has formalized pertinent policies and procedures not only to comply with the disclosure requirements as stipulated in the MMLR, but also setting out the persons authorized and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

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

The Company's website at www.seacera.com.my 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 other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

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

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

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

a. Dialogue between Companies and Investors

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

The Company's website at www.seacera.com.my contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put questions to the Company through the website.

The Board considers it essential that investors are kept informed of all the latest financial result and developments of the Company and where appropriate, will provide disclosure that is in the best interest of the Company and also of the shareholders. All such reporting information can be obtained from the websites of the Company and Bursa Malaysia Securities Berhad.

b. The Annual General Meeting ("AGM")

The AGM is an important event for the Company as the Board has the opportunity to have a dialogue with the shareholders to present the results and performance of the Group and to address all questions that may arise. Suggestions and comments by shareholders will be noted by the Board for consideration.

c. Investor Relation Policy

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

Zulkarnin Bin Ariffin

(Group Chief Executive Officer)

Telephone number : 03-6136 2494

Facsimile number : 03-6136 9308

Email address : zulkarnin@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 is the principal forum for dialogue and interaction with shareholders. The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the AGM. It is also a requirement for the Company to send the Notice of the AGM and related circular to its shareholders at least twenty eight (28) days before the meeting. At the AGM, shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general to seek more information.

Corporate Governance Overview Statement *(continue)*

All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board will make announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation.

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 MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, MMLR and all applicable laws and regulations throughout the financial year ended 30 June 2020.

This Statement was approved by the Board of Directors of the Company on 30 October 2020.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF MEMBERS

The Audit and Risk Management Committee ("ARC") of Seacera Group Berhad ("SGB" or "the Company"), chaired by an Independent Director, comprises four members, all of whom are Non-Executive Directors and Independent Directors. The current composition meets the requirement of Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The ARC currently comprises the following Independent Non-Executive Directors, namely:-

Member of the Audit & Risk Management Committee	Designation
*Chua Yeong Lin Independent Non-Executive Director	Chairman
**Nicholas Wong Yew Khid Independent Non-Executive Director	Member
**Mah Soon Chai Independent Non-Executive Director	Member
**Dato' Dr Azirul Salihin Bin Anuar Independent Non-Executive Director	Member

* Appointed as Chairman on 30 April 2020

** Appointed as member on 30 April 2020

The terms of office and performance of the ARC and each of its members shall be reviewed by the Board of Directors ("Board") no less than once every three (3) years. The Board is satisfied that the ARC and its members discharged their functions, duties and responsibilities in accordance with the ARC's Terms of Reference which is available on the Company's corporate website.

The ARC met four (4) times during the financial year ended 30 June 2020. The internal auditor had, by invitation, attended the meetings. Other Management members and external auditor had also been invited to attend as and when required by the ARC.

The details of the attendance of each member at the ARC meetings held during the financial year ended 30 June 2020 are as follows:

Member of the Audit & Risk Management Committee	Number of Committee Meetings Attended
*Chua Yeong Lin (Chairman) Independent Non-Executive Director	1/1
*Nicholas Wong Yew Khid (Member) Independent Non-Executive Director	1/1
*Mah Soon Chai (Member) Independent Non-Executive Director	1/1
*Dato' Dr Azirul Salihin Bin Anuar (Member) Independent Non-Executive Director	1/1
**Yong Ket Inn (Chairman) Independent Non-Executive Director	NA
**Shi'aratulAkmar Binti Sahari (Member) Independent Non-Executive Director	NA
*** Mohd Adzhar Bin Abd Hamed (Member) Independent Non-Executive Director	NA
**** Wan Mohd Zahari Bin Wan Embong (Chairman) Independent Non-Executive Director	3/3
**** Mejar Dato' Ismail Bin Ahmad (Member) Independent Non-Executive Director	3/3
**** Koo Kien Yoon (Member) Independent Non-Executive Director	3/3

* Appointed on 30 April 2020

** Resigned on 27 December 2019

*** Resigned on 26 February 2020

**** Retired on 29 November 2019

INDEPENDENCE OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The Company 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 ARC of the Company were former key audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least two (2) periods in the event any potential candidate to be appointed as a member of ARC was a key audit partner of the external auditors of the Group.

Audit and Risk Management Committee Report (continue)

TERMS OF REFERENCE

The ARC is established to assist the Board in fulfilling its oversight responsibilities and to ensure that the Management has properly addressed required controls and guidance by the Board. The ARC shall review and ensure that the process of assessing the risk, control and governance, including operational and financial controls, business ethics and compliance, are properly managed and monitored.

The Terms of Reference of ARC is available on the Company's website at www.seacera.com.my.

Authority

The Board has empowered the ARC to:

1. Investigate any activity within the scope of the ARC's duties and its terms of reference and shall have full and unrestricted access to any information or documents relevant to the ARC's activities;
2. Obtain independent legal or other professional advice as necessary;
3. Communicate directly with the external auditors, internal auditors and all employees of the Group. ARC would be required to assess the qualifications and competencies of external auditors and internal auditors;
4. Have adequate resources to perform its duties as set out in its terms of references; and make recommendations for improvements of operating performance and Management control arising from internal and external audit recommendations.

Responsibilities and Duties

The functions of the ARC have been expanded to include matters specified in the Malaysian Code on Corporate Governance ("MCCG") as follows:

1. Risk Management and Internal Control

Ensure that risk management is in place with an adequate awareness and understanding of risk by the Management and proper internal control in place to safeguard shareholders' interests and the Company's assets.

2. Financial Reporting

Review the annual and quarterly financial results of the Group focusing on, among others, financial disclosures, changes in accounting policies and practices in compliance with Malaysian Financial

Reporting Standards (MFRS), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia as well as the Listing Requirements.

3. Internal Auditors ("IA")

The Group has outsourced its internal audit division to an independent professional consulting firm, Messrs. MAC & Associates PLT to assist the ARC in discharging their responsibilities and duties. The above-mentioned IA has a qualification as a professional IA. In respect of the internal audit function, the Board has empowered the ARC:

1. To review the adequacy of the scope, functions, competency and resources of the IA and to assess whether it has the necessary authority to carry out its responsibilities with regards to the annual audit plan in accordance to the Institute of Internal Auditors' best practices and frameworks;
2. To review internal audit program and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the IA;
3. To review any appraisal or assessment of the performance of the IA as well as make recommendation for the appointment or termination of IA to the Board; and
4. Allowing ARC to discuss directly with IA as and when is required by ARC.

During the financial year, there is no internal audit report issued to the management. The IA only conducts several trainings on Risk Management matters which have been mentioned in the Statement on Risk Management and Internal Control (SORMIC) at page 31 in this Annual Report.

The total costs incurred by the IA in discharging its functions and responsibilities in respect of the financial year ended 30 June 2020 amounted to RM14,500 as compared to RM40,874.46 in 2019.

4. External Auditors ("EA")

With regards to EA, the Board has empowered the ARC:

1. To review and monitor the suitability and independence of the EA. The ARC's judgement is required in assessing the independence of the EA not to be impaired by provision of non-audit services;

Audit and Risk Management Committee Report *(continue)*

2. To review and consider the appointment, resignation or termination of the EA and make necessary recommendation to the Board for approval;
3. To deliberate on their fee and make necessary recommendations to the Board for approval;
4. To discuss with the EA, prior to the commencement of audit, the nature and scope of audit;
5. To review with the EA the audit plan, their evaluation of the systems of internal accounting controls, their audit report and the assistance given by the Company's officers to the EA;
6. To reviewed the external audit planning memorandum, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan
7. To review the year end annual financial statements before submission to the Board and announcements to the Bursa Securities , focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustment arising from the audit;
 - significant and unusual events;
 - the going concern assumption;
 - in compliance MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia as well as the Listing Requirements and other legal requirements;
 - to convene meeting at least once a year on any issues from the audits, with the external auditors separately without the presence of the Management; and
 - to review the EA's Management Letter and Management's response.
2. To report its activities to the Board in such manner and at such times as it deems appropriate and report to the Bursa Securities where the ARC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in breach of the Listing Requirements.
3. To review any related party transactions that may arise within the Group in complying with the Listing Requirements.
4. To consider and examine any other matters as the ARC considers appropriate or as instructed by the Board.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The activities undertaken by the ARC during the financial year ended 30 June 2020 were as follows:-

1. Reviewed the quarterly financial statements of the Group before approval by the Board for announcements to the Bursa Securities.
2. Reviewed the year-end financial statements together with external auditors' management letter in relation to the audit and accounting issues arising from the audit and managements' response.
3. Reviewed and discussed with the EA on their scope of work, audit plan and procedures.
4. Reviewed the related party transactions and any conflict of interest situation that may arise within the Group and to ensure that such transactions are undertaken at arms' length, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.
5. Reviewed and discussed major financial issues arising from management's various reports, initiating further studies which it deemed necessary and reported to the Board on the findings of its studies, making appropriate recommendations.

5. Other Responsibilities of the ARC

1. To instruct the EA and IA that the ARC is to be advised accordingly if there are any areas that require their special attention including major findings of internal investigations and Management's response.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board 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 2020. This Statement has been prepared in accordance to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements 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 system to manage those risks. The Board reviewed the adequacy and effectiveness of the system of internal controls as during the year under review. The Board acknowledges that internal controls may not provide absolute assurance against all risks but it serves reasonable assurances and is designed to manage the likelihood and consequences of risk to an acceptable level.

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 lines of responsibility and delegation of authority for all aspect of the Group's affairs. Senior management and/or managers present their operational performance reviews as well as business plans and strategic measures in monthly meetings.
- Internal audit report and its findings prepared on quarterly basis by the internal auditor and forwarded to the Audit Committee for review and deliberation.
- Clear terms of references of Board and its Committees

The Board is strongly committed to an effective risk management and internal control system guide by Company's good governance and Bursa Malaysia Securities Berhad's Listing Requirements to further raise the level of transparency and accountability of the Company's operations.

Establishment of Audit and Risk Management Committee ("ARC")

The Board having reviewed the current composition of the Board and taking into consideration of the current size and level of operation of the Group, is of the view that the combination of a Risk Management Committee with the Audit Committee is deemed a practical and

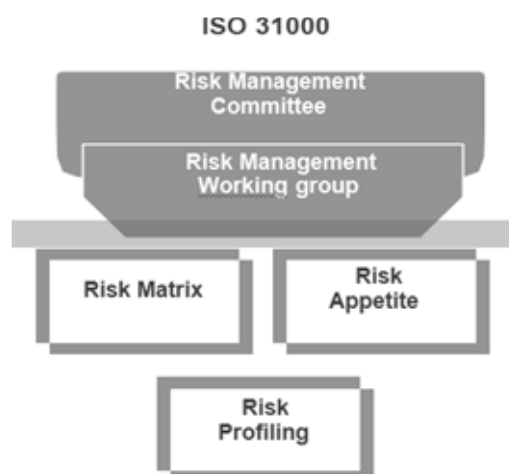
effective approach and will maintain this practice.

The Board of Directors recognises that a robust risk management framework is important to correctly and timely identify. The Audit and Risk Management Committee ("ARC") as adopted the ISO 31000 in assessing the risk. The ARC is supported by a team of key risk owners called the Risk Management Working Group ("RMWG").

The Board via ARC would periodically measure the appropriate risk appetite which is then cascaded down. In ensuring that all critical risks are identified and appropriately managed, a risk matrix is used to segmentise the risk.. Using the ISO 31000, risks are dissected to a level in which appropriate controls can be applied to. The Risk Management Working Group oversees the entire process and report to the Risk Management Committee.

A continuous process of risk identification, risk management and risk evaluation shall be implemented through Risk Management Report in order for this programme to succeed. During the risk identification process, all risk identified will be deliberated, however potential high risk events that could adversely impact the achievement of Company's business objectives shall be given more attention to. The ARC shall discover effective business strategies and implement them to control the risks.

Risk reviews will be conducted periodically to reassess the effectiveness of risk mitigation measures put in place and the adequacy of the systems. Corrective actions will be taken when necessary.



The Board has empowered the ARC to:

- introduce or conduct risk awareness, risk mitigation action plans and training on risk management for the employees.

Statement on Risk Management and Internal Control (continue)

- continuously identify and evaluate the potential risk or potential event that could adversely impact the achievement of the Company business objectives.
- determine the impact and consequence of the risk and recommend any strategy to reduce the likelihood of the risk to occur.
- conduct risk review periodically and reassess the effectiveness of risk mitigation measures and adequacy of the existing systems.
- adopt corrective actions, if necessary.

Internal Audit Function

In accordance with the Malaysian Code on Corporate Governance, the Group in its efforts to provide adequate and effective internal control system had appointed Messrs Mac & Associates PLT ("MAC"), an independent consulting firm to review the adequacy and integrity of its system of internal control. MAC acts as the internal auditors and reports directly to the ARC.

MAC reviews and addresses critical business processes, identifies risks and internal control gaps, assesses the effectiveness and adequacy of the existing state of internal control of the Group and recommends possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group. Follow up reviews were conducted to ensure that corrective actions have been implemented on a timely manner.

The activities and areas of review undertaken during the financial year ended 30 June 2020 were:

Activity 1

On 9 October 2019, the Internal Auditor conducted a Risk Management Committee training cum discussion session for the following issues:

- a) Sustainability matters and activities
- b) Corporate Governance
- c) Identification of Strategic Risk
- d) Commencement of Internal Control but Pending Risk Assessment Result
- e) Basic Understanding of Section 17A of the MACC Act 2016

Activity 2

On 15 October 2019, the Internal Auditor has given briefing to all Board of Directors' members on the board charter, company's policies, terms of reference of the board committees, whistle blowing policies which were posted on the Company's website.

The briefing highlighted the importance and significance of applying highest standard of corporate governance in line with Malaysian Code on Corporate Governance.

Activity 3

On 22 November 2019, RMWG had performed the risk score card in identifying risk in each department especially risk involved in day to day operation.

Among the risks are identified as follows:

- 1) Delay in payments from Customers
- 2) Materials ordered arrived late. This will result in business/sales/operation interruptions
- 3) To compete with the other trading companies that able to purchased huge quantity and offer cheapest price

Based on the internal audit reviews conducted, none of the weaknesses noted have resulted in material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

Conclusion

The Board is aware and cognizant of the fact that the Group's system of internal control 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 system with a view to further enhance their effectiveness and to ensure new and additional risk arising from changes in the business and operating environment are managed within tolerable limits and timely dealt with.

This Statement on Risk Management and Internal Control is made by the Board in accordance to its resolution dated 30 October 2020.

OTHER CORPORATE DISCLOSURE

1. Material Contracts

During the financial year, there was no material contracts entered into by the Company and/or its subsidiaries involving Directors', Chief Executive Officer and major shareholders' interests.

2. Non – Audit Fees

The amount of audit fees incurred for statutory audit services rendered to the Group by the external auditors for the financial year ended 30 June 2020 amounted to RM100,000 of which RM25,000 was incurred by Seacera Group Berhad.

There were no non-audit fees paid to the external auditors during the financial year under review.

3. Utilisation of Proceeds

Save for Employees' Share Option Scheme where the proceeds were fully utilized for working capital, there were no other proceeds raised by the Company from any corporate proposal during the financial year ended 30 June 2020.

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

The ESOS implemented on 30 June 2016 and the details of the ESOS are as follows:

- a) The total number of options granted, exercised, cancelled, and outstanding under the ESOS since its commencement up to the financial year ended 30 June 2020 are set out below:

Description	Number of Options	
	Grand Total '000	Directors and Chief Executive '000
Granted	86,652	26,000
Exercised	71,950	21,500
Cancelled	14,702	4,500
Outstanding	-	-

- (b) Percentage of options applicable to Directors and Senior Management under the ESOS during the financial period and since its commencement up to the financial year ended 30 June 2020 are set out below;

Directors and Senior Management	Percentage	
	During the Financial Year	Since Commencement up to 30 June 2020
Aggregate maximum allocation	50%	50%
Actual option granted	78%	40%

- (c) The total number of ESOS granted and vested to the former Non-Executive Directors is ten (10) million shares.

Non Executive Directors	Number of Options Granted and Vested '000
Datuk Seri Mansor Bin Masikon	4,000
Norhanum Biinti Nordin	3,000
Halim @ AB Halim Bin Ismail	3,000

CORPORATE CALENDAR

DATE	CORPORATE NEWS AND HIGHLIGHTS
24 September 2019	Seacera Group Berhad had made an offer of options on 24 September 2019 to eligible persons to subscribe for new shares in the Company under the Company's Employees' Share Option Scheme.
20 November 2019	Seacera Group Berhad and Sinar Tile Industries Sdn Bhd agreed to extend the MOU for 3 months effective from 20 November 2019.
29 November 2019	ANNUAL GENERAL MEETING 34th Annual General Meeting of Seacera Group Berhad was held at KIP Hotel, Function Room, Level 5, No. 77 Jalan Seri Utara, Off Jalan Ipoh, 68100 Kuala Lumpur at 10:00 a.m. and save for Ordinary Resolution 8 in respect of re-election of Dr Zulqarnain Bin Lukman, all resolutions set out in the Notice of Annual General Meeting dated 31 October 2019, and the additional Ordinary Resolutions A to U had been tabled at the Company's 34th Annual General Meeting.
11 December 2019	Seacera Group Berhad has entered into a Memorandum of Understanding ("MOU") with Persatuan Kontraktor Bumiputera Malaysia (PKBM) on 11 December 2019 to explore working arrangement on a mutual benefit basis between Seacera and PKBM for the supplies of tiles and other building materials to the members of PKBM.
12 December 2019	Seacera Group Berhad had made an offer of options on 12 December 2019 to eligible persons to subscribe for new shares in the Company under the Company's Employees' Share Option Scheme.
19 February 2020	Seacera Group Berhad had obtained a Restraining Order on 19 February 2020 from High Court Kuala Lumpur for three (3) months until 18 May 2020, restraining all proceedings and actions brought against the Company and its other 3 subsidiaries except with leave of Court and subject to any terms that the Court may impose.
19 May 2020	Seacera Group Berhad had obtained an extension of Restraining Order (RO) for another three (3) months effective from 19 May 2020 until 18 August 2020.
3 June 2020	Seacera Polymer Sdn Bhd (SPSB), a wholly-owned subsidiary of Seacera Group Berhad, had on 3 June 2020 entered into an Exclusive Distribution Agreement ("Agreement") with Xidelang Holdings LTD ("XH LTD") to appoint SPSB as a distributor for the sale and distribution of protective clothing products in all states of Malaysia.

CALENDAR OF EVENTS

**RISK MANAGEMENT &
SUSTAINABILITY TRAINING
DIRECTORS & HEAD
OF DEPARTMENTS
9 OCTOBER 2019**



**MBAM ONEBUILD
EXHIBITION 2019
29 – 31 OCTOBER 2019
Kuala Lumpur
Convention Center**

**SEACERA GROUP
BERHAD
34TH ANNUAL GENERAL
MEETING (AGM)
29 NOVEMBER 2019
held at KIP Hotel,
Function Room, Level 5,
No. 77 Jalan Seri Utara,
Off Jalan Ipoh,
68100 Kuala Lumpur**



Calendar of Events *(continue)*



MOU SIGNING CEREMONY

SEACERA GROUP BERHAD (SGB) & PERSATUAN KONTRAKTOR BUMIPUTERA MALAYSIA (PKBM)

11 DECEMBER 2019

Kuala Lumpur Golf & Country Club (KLGCC)

MAJLIS PENYERAHAN SUMBANGAN & PROGRAM INFAQ SEACERA 2020

PACKAGE INFAQ INCLUDED:

- | | |
|----|--|
| 1. | 3 BOXES OF FACEMASK (50 PIECES EACH BOX) |
| 2. | 7 BOTTLES OF 500ML HANDSANITIZERS |
| 3. | 2 UNITS OF CONTACTLESS THERMOMETER. |



FINANCIAL STATEMENTS

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DIRECTORS' REPORT

for the financial year ended 30 June 2020

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 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacturing and trading of homogeneous and ceramic tiles. 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>11,688,663</u>	<u>7,444,463</u>

DIVIDENDS

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

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year been disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

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

Date of issue	Class of shares	No. of shares Issue	Issued Price RM	Consideration RM	Purpose
10-Oct-2019	Ordinary shares	6,000,000	0.167	1,002,000	Working capital
20-Dec-2019	Ordinary shares	1,100,000	0.3250	357,500	Working capital

The new shares issued rank paripassu in respect of the distribution of dividends and repayment of capital with the existing shares.

The Company did not issue any debentures 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.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the year, there were no unissued shares of the Company under options.

DIRECTORS' REPORT (continue)

for the financial year ended 30 June 2020

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:

Datuk Seri Mansor Bin Masikon	(Retired by AGM on 29 November 2019)
Dato' Nik Ismail Bin Nik Yusoff	(Retired by AGM on 29 November 2019)
Mejar Dato' Ismail Bin Ahmad	(Retired by AGM on 29 November 2019)
Wan Mohd Zahari Bin Wan Embong	(Retired by AGM on 29 November 2019)
Zamri Bin Mohd Ramli	(Retired by AGM on 29 November 2019)
Saharom Bin Mohd Adas	(Retired by AGM on 29 November 2019)
Dr. Zulqarnain Bin Lukman	(Resigned on 4 November 2019)
Tuan Haji Ishak Bin Ismail	(Retired by AGM on 29 November 2019)
Mazlan Bin Mohamad	(Retired by AGM on 29 November 2019)
Koo Kien Yoon	(Retired by AGM on 29 November 2019)
Ling Chi Hoong	(Appointed by AGM on 29 November 2019) and resigned on 23 December 2019)
Halim @ Ab Halim Bin Ismail	(Appointed by AGM on 29 November 2019) and resigned on 26 December 2019)
Yong Ket Inn	(Appointed by AGM on 29 November 2019) and resigned on 26 December 2019)
Rozaidi Bin Baharudin	(Appointed by AGM on 29 November 2019) and resigned on 26 December 2019)
Shi'aratul Akmar Binti Sahari	(Appointed by AGM on 29 November 2019) and resigned on 27 December 2019)
Datuk Chong Loong Men	(Appointed by AGM on 29 November 2019) and resigned on 27 December 2019)
Chu Chee Peng	(Appointed by AGM on 29 November 2019) and resigned on 27 December 2019)
Dato' Seri Abdul Azim Bin Mohd Zabidi	(Appointed by AGM on 29 November 2019) and resigned on 26 February 2019)
YM Tengku Ahmad Badli Shah Bin Raja Hussin	(Appointed by AGM on 29 November 2019) and resigned on 26 February 2019)
Mohd Adzhar Bin Abd Hamed	(Appointed by AGM on 29 November 2019) and resigned on 26 February 2019)
Nicholas Wong Yew Khid	(Appointed by AGM 29 November 2019)
Dato' Dr Azirul Salihin Bin Anuar	(Appointed by EGM on 16 January 2020)
Chua Yeong Lin	(Appointed by EGM on 16 January 2020)
Mah Soon Chai	(Appointed by EGM on 16 January 2020)

DIRECTORS' INTEREST

None of the other Directors in office at the end of the financial year have interest in shares of the Company or its related corporations during the financial year ended 30 June 2020.

DIRECTORS' REPORT (continue)

for the financial year ended 30 June 2020

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director 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 shown in 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
	2020	2020
	RM	RM
Fees	325,451	283,905
Remuneration	1,584,939	32,083
	<u>1,910,390</u>	<u>315,988</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 RM53,000 (2019: RM7,692).

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

Total amount of indemnity given to or insurance for the Directors, officers or auditors of the Company is as follows:

	Group	Company
	2020	2020
	RM	RM
Directors and officers	<u>19,000</u>	<u>19,000</u>

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

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 of expected credit losses for doubtful debts; and

DIRECTORS' REPORT (continue)

for the financial year ended 30 June 2020

- b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

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 doubtful debts inadequate to any substantial extent in the financial statements of the Group and the Company; or
- b) which would render the values attributed to current assets in the financial statements of the Group and 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 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 the Company misleading.

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

- a) any charge on the assets of the Group and 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 the Company which has arisen since the end of the financial year.

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 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 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 2020 RM	Company 2020 RM
Statutory audit	100,000	25,000

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to accept the appointment.

DIRECTORS' REPORT (continue)

for the financial year ended 30 June 2020

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

DATO' DR. AZIRUL SALIHIN BIN ANUAR
Director

CHUA YEONG LIN
Director

Selangor, Malaysia

Dated: 30 October 2020

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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

The Directors of SEACERA GROUP BERHAD state that, in their opinion, the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 June 2020 and financial performance of the Company for the financial year ended 30 June 2020.

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

DATO' DR. AZIRUL SALIHIN BIN ANUAR
Director

CHUA YEONG LIN
Director

Selangor, Malaysia

Dated: 30 October 2020

STATUTORY DECLARATION PURSUANT TO SECTION 251 (1) (b) OF THE COMPANIES ACT 2016

I, ZULKARNIN BIN ARIFFIN, the Officer primarily responsible for the financial management of SEACERA GROUP BERHAD., do solemnly and sincerely declare that the accompanying financial statements are the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the above-named ZULKARNIN BIN ARIFFIN)
at Batu Caves in the state)
of Selangor Darul Ehsan on 30 OCTOBER 2020)

ZULKARNIN BIN ARIFFIN
A 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 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the 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 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements which indicates that for the year ended 30 June 2020, the Group's and Company's current liabilities exceeded its current assets by RM88,387,942 and RM30,414,481 respectively.

As disclosed in Note 33 of the financial statements, on 18 April 2019, the Directors of the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(f) of Practice Note 17 ("PN17"), as 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 Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Due to the outbreak of COVID-19 and implementation of Conditional Movement Control Order ("CMCO") by the government, Bursa Malaysia has declared a longer timeframe for the Company to submit its regularisation from 25 April 2020 to 25 April 2021 which is additional of twelve months. The circular of announcement from Bursa Malaysia is dated at 26 March 2020.

As at the date of this report, as the Company is currently in the midst of formalising the Regularisation Plan, we are unable to determine whether the Regularisation Plan will be approved by the relevant authorities and whether it will be successfully implemented for the Group and the Company to achieve sustainable and viable operations.

The financial statements of the Group and the Company do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the going concern basis of preparation of the Group's and the Company's financial statements be inappropriate.

These conditions, along with other matters as set forth in Note 2(a), indicate the existence of a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEACERA GROUP BERHAD continue

No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p>Material litigations</p> <p>As at 30 June 2020, 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 2020 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 2(a) and 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.

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEACERA GROUP BERHAD continue

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.

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

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

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

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

The financial statements of the Group and the Company for the year ended 30 June 2019 were audited by other auditors whom have expressed an unmodified opinion with a paragraph on Material Uncertainty Related to Going Concern on these statements on 29 October 2019.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEACERA GROUP BERHAD *continue*

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
(AF 1522)
Chartered Accountants

AHMAD ALJAFREE BIN MOHD RAZALLI
No. 01768/05/2021 (J)
Chartered Accountant

Dated: 30 October 2020

Selangor, Malaysia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group		Company	
		1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) Restated RM	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM
Revenue	4	2,258,991	25,047,178	773,493	13,661,468
Cost of sales	5	(3,560,795)	(44,198,530)	(1,893,274)	(30,123,801)
Gross loss		(1,301,804)	(19,151,352)	(1,119,781)	(16,462,333)
Other operating income		22,576,820	6,842,403	12,399,863	4,579,168
Distribution costs		-	(120,397)	-	(65,366)
Administrative expenses		(9,599,390)	(166,082,595)	(3,584,703)	(118,832,984)
Other operating expenses		(99,593)	(7,971,067)	(99,593)	(21,279,684)
Operating profit / (loss)		11,576,033	(186,483,008)	7,595,786	(152,061,199)
Finance income		-	293,780	-	283,324
Finance costs	6	(657,969)	(5,804,080)	(151,323)	(1,612,348)
Profit / (Loss) before tax	7	10,918,064	(191,993,308)	7,444,463	(153,390,223)
Taxation	8	770,599	(211,629)	-	(9,399)
Net profit / (loss) for the year / period		11,688,663	(192,204,937)	7,444,463	(153,399,622)
Other comprehensive income, net of tax					
Gain on revaluation reserves		-	2,327,882	-	-
Total comprehensive income / (loss) for the year / period		11,688,663	(189,877,055)	7,444,463	(153,399,622)
Profit / (Loss) attributable to:					
Owners of the company		11,688,663	(191,605,049)	7,444,463	(153,399,622)
Non-controlling interest		-	(599,888)	-	-
Profit / (Loss) for the financial year / period		11,688,663	(192,204,937)	7,444,463	(153,399,622)
Basic earnings / (loss) per ordinary share (sen)	9	2.53	(40.28)		
Diluted earnings / (loss) per ordinary share (sen)	9	2.53	(40.28)		

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	Group		Company	
		2020	2019	2020	2019
		RM	Restated RM	RM	RM
Non-current assets					
Property, plant and equipment	11	847,351,607	847,331,216	40,522	131,824
Investment in subsidiaries	12	-	-	272,031,270	55,585,270
Other receivables	16	-	-	33,029,025	247,138,938
Right-of-use assets	14	618,736	-	-	-
Deferred tax assets	26	-	-	5,840,836	5,840,836
Total non-current assets		847,970,343	847,331,216	310,941,653	308,696,868
Current assets					
Inventories	15	376,196	1,219,636	55,838	-
Trade and other receivables	16	39,304,209	38,846,800	31,349,422	32,345,622
Tax recoverable		69,413	189,414	-	-
Cash and bank balances	17	79,980	203,956	30,562	157,507
Total current assets		39,829,798	40,459,806	31,435,822	32,503,129
Total assets		887,800,141	887,791,022	342,377,475	341,199,997
Capital and reserves					
Share capital	18	398,871,572	397,512,072	398,871,572	397,512,072
Redeemable convertible preference shares	19	161,632,017	161,632,017	-	-
Reserves	20	153,282,830	143,255,002	(142,116,971)	(149,561,434)
Treasury shares	21	(180,945)	(180,945)	(180,945)	(180,945)
Total equity attributable to shareholders of the company		713,605,474	702,218,146	256,573,656	247,769,693
Non-controlling interests		-	(1,660,835)	-	-
Total equity		713,605,474	700,557,311	256,573,656	247,769,693
Non-current liabilities					
Lease liabilities	24	339,089	-	-	-
Provision for retirement benefits	25	308,702	1,064,092	-	700,227
Other payables	27	-	-	23,953,516	22,476,953
Deferred tax liabilities	26	45,329,136	43,907,827	-	-
Total non-current liabilities		45,976,927	44,971,919	23,953,516	23,177,180
Current liabilities					
Trade and other payables	27	102,743,199	116,505,661	48,481,523	56,994,617
Tax payable		1,004,143	1,997,702	716,268	719,396
Lease liabilities	24	285,512	-	-	-
Loans and borrowings	23	24,184,886	23,758,429	12,652,512	12,539,111
Total current liabilities		128,217,740	142,261,792	61,850,303	70,253,124
Total liabilities		174,194,667	187,233,711	85,803,819	93,430,304
Total equity and liabilities		887,800,141	887,791,022	342,377,475	341,199,997

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR END 30 JUNE 2020

Group	Note	Share capital RM	Redeemable convertible preference shares RM	Total reserves RM	Treasury shares RM	Attributable to owners of the Company RM	Non-controlling interest RM	Total Equity RM
As at 1 January 2018		353,004,999	161,632,017	334,079,268	(180,945)	848,535,339	(1,060,947)	847,474,392
Effect of prior year adjustment		-	-	(1,547,099)	-	(1,547,099)	-	(1,547,099)
As at 1 January 2018 (Restated)		353,004,999	161,632,017	332,532,169	(180,945)	846,988,240	(1,060,947)	845,927,293
Issuance of shares	18	44,507,073	-	-	-	44,507,073	-	44,507,073
Loss for the financial year (Restated)		-	-	(191,605,049)	-	(191,605,049)	(599,888)	(192,204,937)
Revaluation of property, plant and equipment	20	-	-	2,327,882	-	2,327,882	-	2,327,882
As at 30 June 2019 (Restated)		397,512,072	161,632,017	143,255,002	(180,945)	702,218,146	(1,660,835)	700,557,311
As at 1 July 2019 (Restated)		397,512,072	161,632,017	143,255,002	(180,945)	702,218,146	(1,660,835)	700,557,311
Issuance of shares	18	1,359,500	-	-	-	1,359,500	-	1,359,500
Profit for the financial year		-	-	11,688,663	-	11,688,663	-	11,688,663
Accretion of interest in an existing subsidiary		-	-	(1,660,835)	-	(1,660,835)	1,660,835	-
As at 30 June 2020		398,871,572	161,632,017	153,282,830	(180,945)	713,605,474	-	713,605,474

Company	Note	Share capital RM	Reserves distributable Retained Profit RM	Treasury shares RM	Total Equity RM
As at 1 January 2018		353,004,999	3,838,188	(180,945)	356,662,242
Issuance of shares	18	44,507,073	-	-	44,507,073
Loss for the financial year		-	(153,399,622)	-	(153,399,622)
As at 30 June 2019		397,512,072	(149,561,434)	(180,945)	247,769,693
As at 1 July 2019		397,512,072	(149,561,434)	(180,945)	247,769,693
Issuance of shares	18	1,359,500	-	-	1,359,500
Profit for the financial year		-	7,444,463	-	7,444,463
As at 30 June 2020		398,871,572	(142,116,971)	(180,945)	256,573,656

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

STATEMENTS OF CASH FLOWS

AS AT 30 JUNE 2020

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months) Restated	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months)
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (Loss) before tax	10,918,064	(191,993,308)	7,444,463	(153,390,223)
Adjustments for:				
(Reversal of provision) / provision for retirement benefits	(755,390)	78,468	(700,227)	53,453
Property, plant and equipment				
- Loss on disposal	-	2,153,927	-	579,259
- Depreciation	988,752	4,200,882	91,302	2,270,588
- Written off	-	21,203,873	-	20,318,005
- Right of use assets	237,976	-	-	-
Inventories				
- Written down	2,413,347	16,030,422	1,263,798	14,622,622
Trade and other receivables				
- Impairment loss	1,777,208	747,951	759,368	747,951
- Reversal of impairment loss	(866,677)	(1,036,957)	(747,951)	(330,667)
Impairment on goodwill	-	2,999,200	-	-
Impairment loss on subsidiary	-	-	-	16,000,000
Interest expense	657,969	5,804,080	151,323	1,612,348
Interest income	-	(293,780)	-	(283,324)
Operating profit / (loss) before working capital changes	15,371,249	(140,105,242)	8,262,076	(97,799,988)
Changes in working capital				
Development property	-	228,960	-	-
Amount due from contract customers	-	38,041,468	-	-
Inventories	(1,569,907)	5,412,220	(1,319,636)	7,327,060
Trade and other receivables	(2,845,249)	67,032,328	215,094,694	17,550,760
Trade and other payables	(12,863,771)	24,352,743	(7,170,663)	28,843,487
Cash flows (used in) / generated from operations	(1,907,678)	(5,037,523)	214,866,471	(44,078,681)
Interest paid	(311,462)	(5,804,080)	(17,188)	(1,612,348)
Interest received	-	293,780	-	283,324
Retirement benefit paid	-	(62,718)	-	(62,718)
Tax refund/(paid)	1,318,350	59,181	(3,129)	33,585
Net cash (used in)/generated from operating activities	(900,790)	(10,551,360)	214,846,154	(45,436,838)

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

STATEMENTS OF CASH FLOWS

AS AT 30 JUNE 2020

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months) Restated	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months)
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(1,009,143)	(11,651,471)	-	(2,021,528)
Proceed from disposal of property, plant and equipment	-	281,500	-	237,500
Increase in investment in subsidiary	-	-	(216,446,000)	(3,000,000)
Net cash used in investing activities	(1,009,143)	(11,369,971)	(216,446,000)	(4,784,028)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of new shares	1,359,500	44,507,073	1,359,500	44,507,073
(Placement)/withdrawal of deposit pledged	-	27,430,478	-	13,735,441
Drawdown of hire purchase	-	282,254	-	282,254
Proceeds from bankers' acceptances	-	(9,716,595)	-	(2,835,550)
Drawdown from/(repayment of) revolving credits	-	(37,404,842)	-	(2,000,000)
Drawdown from/(repayment of) term loans	27,806	15,126	-	141,962
Repayment of lease liabilities	-	-	-	-
Net cash from financing activities	1,387,306	25,113,494	1,359,500	53,831,180
Net (decrease)/increase in cash and cash equivalent	(522,627)	3,192,163	(240,346)	3,610,314
Cash and cash equivalents brought forward	(9,925,340)	(13,117,503)	(4,912,202)	(8,522,516)
Cash and cash equivalents carried forward (Note 17)	(10,447,967)	(9,925,340)	(5,152,548)	(4,912,202)
Cash and cash equivalents at end of year/period comprised:				
Cash in hand	7,059	-	7,059	-
Cash at bank	72,921	203,956	23,503	157,507
Bank overdraft	(10,527,947)	(10,129,296)	(5,183,110)	(5,069,709)
	(10,447,967)	(9,925,340)	(5,152,548)	(4,912,202)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

1. CORPORATE INFORMATION

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 principal activities of the Company are the manufacturing and trading of homogeneous and ceramic tiles. The principal activities of the subsidiaries are set out in Note 12 to the financial statements. The Company ceased the manufacturing activities during the financial year.

The registered office of the Company is located at Suite 10.02, Level 10, The Garden South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur and the principal place of office of the Company is located at Lot 16428, 14KM, Jalan Ipoh, Kawasan Perindustrian Selayang, 68100 Batu Caves, Selangor Darul Ehsan.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 2016.

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

Going concern assumptions

The Group and the Company incurred a profit for the financial year of RM11,688,663 and RM7,444,463 respectively during the financial year ended 30 June 2020 and, as of that date, the Group's and Company's current liabilities exceeded its current assets by RM88,387,942 and RM30,414,481 respectively.

As disclosed in Note 33 in the financial statement, on 18 April 2019, the Directors of the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(f) of Practice Note 17 ("PN17"), as 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.

Due to the outbreak of COVID-19 and implementation of CMCO by the government, the Exchange has declared a longer timeframe for the Company to submit its regularization from 25 April 2020 to 25 April 2021. The circular of announcement from Bursa is dated at 26 March 2020.

The Company is currently in the process of formulating the Proposed Regularisation Plan ("the plan") for submission and the plan will mainly primarily comprise the following:

- (i) Proposed fund raising via bridging loan to repay major banks of the Group (subject to the certain authorities' approval);
- (ii) Proposed issuance of new shares via subscription agreements and issuance of shares to creditors as settlement;
- (iii) Proposed expansion of trading business mainly on tiles, building materials, personal protective equipment and food and beverages;
- (iv) Proposed to bid and secure major construction projects which enable the Group to sustain its business income at least for the next three years;
- (v) Proposed lease quarry business and housing development project on Lot 613, Geran 23940, Mukim of Ulu Semenyih, District of Ulu Langat, Selangor Darul Ehsan;
- (vi) Proposed disposal of assets of the company;
- (vii) Proposed disposal of machinery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

In addition to that, on 30 September 2020, the High Court has allowed the application of Ahmad Zaki Sdn Bhd (“AZSB”) to wind up Seacera Ceramics Sdn Bhd (“SCSB”), a subsidiary of the Group. The judgement by the High Court has impaired the ability of Seacera Ceramics Sdn Bhd to continue on a going concern basis.

Furthermore, on 17 September 2020, the extension of RO application by the Asiabio Capital Sdn Bhd (a substantial shareholder) was not granted by the Court. At this juncture, no further extension on restraining order was granted by the Court.

The Directors have concluded that the combination of the circumstances highlighted above indicate material uncertainties that may cast significant doubt over the ability of the Group and of the Company to continue as going concern and therefore, may be unable to realise their assets and discharge their liabilities in the normal course of business.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to restate the carrying value of the assets to their recoverable amounts and to provide for further liabilities which may arise.

The Company is currently in the process of formulating the Proposed Regularisation Plan to address the financial condition of the Group and of the Company and believes that the Proposed Regularisation Plan once formulated and implemented, will enable the Group and the Company to generate sufficient cash flows to meet their obligations.

For these reasons, 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.

Therefore, the going concern basis used in preparing the financial statements of the Group and of the Company is significantly dependent on:

- i. approval being obtained from all the relevant parties on the Proposed Regularisation Plan;
- ii. timely and successful implementation of the key components of the Proposed Regularisation Plan and the Schemes; and
- iii. ability of the Group and the Company to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.

The principal accounting policies adopted are set out below.

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current period, the company has adopted all the new and revised standards which are effective for annual financial year beginning on or after 1 January 2019.

	<u>Effective dates for financial year beginning on or after</u>
MFRS 9 Prepayments Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long Term Interests in Associates and Joint Venture (Amendments to MFRS 128)	1 January 2019
Amendments to MFRS 119 Employees Benefits: Plant Amendment, Curtailment or Settlement	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRSs Annual Improvements to MFRSs 2015 – 2017 Cycle	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture.

The Company plan to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2020 for those accounting standards, interpretations and amendments, that are effective for annual period.

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determine whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases - Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard set out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

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

(i) As a lessee

The Group and the Company adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application date of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial application is recognised as an adjustment to the opening retained earnings which the cumulative effect of initial application is recognised as an adjustment to the opening retained earnings at 1 January 2019.

The Group and the Company elected to apply followings practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117:

- Applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the the contract contained options to extend or terminate the lease.

The impact of MFRS 16 is as disclosed in Note 14 & 24.

(ii) As a lessor

The adoption of MFRS 16 does not have any impact to the financial statements of the Group and the Company as a lessor. There are no contracts that are contain a lease in which the Group expects to reclassify as a finance lease.

Standards issued but not yet effective

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 101, Definition of Material
- Amendments to MFRS 108, Definition of Material
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between on Investor and its Associate or Joint Venture
- Amendments to References to the Conceptual Framework in MFRS standard

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

(b) Basis of consolidation

(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.

Acquisitions on or after 1 January 2011

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.

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.

Acquisitions before 1 January 2011

As part of its transition to MFRS, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs. Goodwill arising from acquisitions before 1 January 2011 has been carried forward from previous FRS framework as at the date of transition.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

(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.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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.

Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. 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

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

Cost model

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. The fair value of items of plant and equipment is usually their market value determined by appraisal.

If there is no market-based evidence of fair value because of the specialised nature of the item of property, plant and equipment and the item is rarely sold, except as part of a continuing business, an entity may need to estimate fair value using an income or a depreciated replacement cost approach.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to determine its depreciated replacement cost.
- b) eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. This method is often used for buildings.

If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued.

The items within a class of property, plant and equipment are revalued simultaneously to avoid selective revaluation of assets and the reporting of amounts in the financial statements that are a mixture of costs and values as at different dates. However, a class of assets may be revalued on a rolling basis provided revaluation of the class of assets is completed within a short period and provided the revaluations are kept up to date.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. 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 surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed. However, some of the surplus may be transferred as the asset is used by an entity. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed in accordance with MFRS 112 Income Taxes.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

Depreciation is recognised in the statements of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives of the assets are as follows:

• Buildings	40 - 50 years
• Plant and machinery	5 - 10 years
• Furnitures, fittings and equipments	5 - 10 years
• Motor vehicles	5 - 10 years
• Leasehold lands	99 years

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

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Other leases are operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

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

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

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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:

	2020	2019
	RM	RM
1 US Dollar	4.280	4.133
1 Singapore Dollar	3.072	3.056
1 Australian Dollar	2.945	2.898
1 Euro	4.810	4.708

(f) Impairment of non-financial assets

At each reporting date, the Group and the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated. Irrespective of whether there is any indication of impairment, the Group and the Company tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually.

When it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less costs to sell and 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.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

An impairment loss is recognised immediately in profit or loss, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

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.

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ('FVTPL').

(ii) **Amortised cost and effective interest method**

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) **Debt instruments classified as at FVTOCI**

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

- **Amortised cost** : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **FVTOCI** : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

- FVTPL : Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

(iv) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group and the Company's management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

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

This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

(vi) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI), lease receivables, amounts due from customers under construction contracts, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vii) Derecognition of financial assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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The Group and the Company enter into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(h) 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.

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.

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(i) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognises losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's and the Company's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade and other receivables as amount due from contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the differences is presented as amount due to contract customers which is part of the deferred income in the statement of financial position.

(j) Cash and cash equivalents

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

(k) Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented in the reserve for own shares.

When treasury shares are distributed as share dividends, the costs of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, surplus or deficit on the transaction is presented in share premium.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

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A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has 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 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 Company has no further payment obligations.

(ii) Defined benefits plans

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 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 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 Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or any other settlement of the plan liabilities.

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 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.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a detailed formal plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as expenses if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(m) Provisions

A provision is recognised if, as a result of a past event, the Company has 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.

NOTES TO THE FINANCIAL STATEMENTS

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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.

(n) Leases

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

For a contract that contains a lease component and non-lease components, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand alone prices.

As a lessee

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

(i) Right-of-use assets

The Group and the Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised. Initial direct costs, incurred, and lease payments made at or before commencement date less any lease incentives received. Right-of-use assets are depreciated on straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease terms reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for the short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise lease payments associated with these leases as an expense over the lease term.

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FOR THE FINANCIAL YEAR END 30 JUNE 2020

(iv) Extension options

The Group and the Company, in applying their judgement, determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that creates an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

As a lessor

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

(o) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Financial liabilities at FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Group and the Company do not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group and the Company do not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

(ii) Other financial liabilities

Other financial liabilities include the following items:

- bank borrowings and the Group's and the Company's perpetual preference shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- liability components of convertible loan notes are measured as described further below.
- trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Derecognition of financial liabilities

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

NOTES TO THE FINANCIAL STATEMENTS

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On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(p) Dividends to Shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statements of financial position date. When the dividend becomes payable upon the approval of members of the Company at the Annual General Meeting, it will be accounted for as a liability.

(q) 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) Construction contract

The Group recognised construction contract revenue and expenses in the profit or loss based on the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs to complete or by reference to the physical completion of the contract.

(iii) 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.

(iv) 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.

(r) 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 END 30 JUNE 2020

(s) 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 it 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.

(t) 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.

(u) 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.

(v) 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 uses 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:

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Level 1 : Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group 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 recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group'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 Company for the financing facilities granted to a subsidiary and joint ventures.

The Company assumes that there is a significant increase in credit risk when a subsidiary's and joint ventures' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

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

The Company determines the probability of default of the guaranteed loan individually using internal information available.

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 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 2020, the Group'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 historical credit loss experience. The Group further evaluates 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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

(iii) Impairment of investments in subsidiaries

The Group 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 Group's accounting policies in respect of investments in subsidiaries are as follows:

- (i) The Group determines whether its investments are impaired following certain indications of impairment such as amongst others shortfall between Group'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.

(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.

4. REVENUE

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM
Trading	2,258,991	20,940,650	773,493	13,661,468
Construction/ Properties	-	4,106,528	-	-
	2,258,991	25,047,178	773,493	13,661,468

NOTES TO THE FINANCIAL STATEMENTS

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5. COST OF SALES

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM
Trading	3,560,795	39,214,441	1,893,274	30,123,801
Construction/ Properties	-	4,984,089	-	-
	3,560,795	44,198,530	1,893,274	30,123,801

6. FINANCE COSTS

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM	1.7.2019 to 30.6.2020 (12 months) RM	1.1.2018 to 30.6.2019 (18 months) RM
Term loans	426,928	3,083,016	62,051	111,801
Bankers' acceptances	148,694	804,888	6,925	504,461
Hire purchase	80,584	252,688	80,584	140,879
Bank overdraft	(12)	1,386,837	(12)	824,004
Receivables Financing	-	53,432	-	-
Others	1,775	223,219	1,775	31,203
	657,969	5,804,080	151,323	1,612,348

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR END 30 JUNE 2020

7. PROFIT/(LOSS) BEFORE TAX

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

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months) Restated	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months)
	RM	RM	RM	RM
Auditors' remuneration	100,000	137,300	25,000	40,000
Property, plant and equipment				
- Depreciation	988,752	4,200,882	91,302	2,270,588
- Depreciation of right of use asset	237,976	-	-	-
- Loss on disposal	-	2,153,927	-	579,259
- Written off	-	21,203,873	-	20,318,005
Impairment loss on investment in subsidiaries	-	-	-	16,000,000
Impairment loss on goodwill	-	2,999,200	-	-
Trade and other receivables				
- Impairment loss	1,777,208	747,951	759,368	747,951
- Reversal of impairment loss	(866,677)	(1,036,957)	(747,951)	(330,667)
Inventories				
- Written down	2,413,347	16,030,422	1,263,798	14,622,622
Directors' remuneration (Note 10)				
- Fees	325,451	589,192	283,905	527,192
- Remuneration	1,584,939	1,658,855	32,083	614,238
- Other emoluments	53,000	7,692	53,000	7,692
Interest income	-	(293,780)	-	(282,324)
Realised (gain)/loss from foreign exchange	-	(18,680)	-	(938)
Reversal of accrual interest	(20,838,672)	-	12,328,892	-
Reversal of bank account	(109,237)	-	-	-
Employee benefits				
- Contribution to EPF	196,398	933,254	-	346,688
- Wages, salaries and others	2,033,120	9,523,154	-	3,894,502
- (Reversal of Provision) / Provision for retirement benefits (Note 25)	(755,390)	78,468	-	53,453

NOTES TO THE FINANCIAL STATEMENTS

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8. INCOME TAX EXPENSES

	Group		Company	
	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months) Restated	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months)
	RM	RM	RM	RM
Taxation based on profit/(loss) before tax for the financial year:				
Malaysian income tax	95	211,629	-	9,399
(Over)/Underprovision in prior year:				
Deferred taxation	(770,694)	-	-	-
	(770,599)	211,629	-	9,399

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable results for the year.

The reconciliations of income tax expense applicable to profit/(loss) 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	
	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months) Restated	1.7.2019 to 30.6.2020 (12 months)	1.1.2018 to 30.6.2019 (18 months)
	RM	RM	RM	RM
Profit/(Loss) before tax	10,918,064	(191,993,308)	7,444,463	(153,390,223)
Taxation at Malaysia statutory tax rate of 24% (2019 : 24%)	2,620,335	(46,078,394)	1,786,671	(36,813,654)
Tax effect on:				
Income not subject to tax	(5,324,004)	-	(2,958,934)	-
Expenses not deductible for tax purposes	1,596,876	46,290,023	766,855	36,823,053
Deferred tax asset not recognised	1,106,888	-	405,408	-
Overprovision of deferred tax in prior year	(770,694)	-	-	-
Taxation for the year	(770,599)	211,629	-	9,399

9. EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per share for the year has been calculated based on the consolidated profit after tax and non-controlling interests of RM11,688,663 (2019: loss of RM192,204,937) and the weighted number of ordinary shares issued and paid up during the financial year of 481,723,845 (2019: 474,623,845).

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FOR THE FINANCIAL YEAR END 30 JUNE 2020

b) Diluted earnings per share

The fully diluted earnings per share is calculated based on the consolidated profit after tax and non-controlling interests of RM11,688,663 (2019: loss of RM192,204,937) and the weighted number of ordinary shares issued and paid up during the year of 481,723,845 (2019: 474,623,845). The number of shares that would have been issued arising from the exercise of the share options is anti-dilutive.

10. KEY MANAGEMENT PERSONNELS' COMPENSATION

The key management personnels' compensations are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Directors				
Fees	325,451	589,192	283,905	527,192
Remuneration	1,584,939	1,658,855	32,083	614,238
Other short term employees' benefits (including estimated monetary value of benefits-in-kind)	53,000	7,692	53,000	7,692
Total compensation	1,963,390	2,255,739	368,988	1,149,122
Other key personnel Management				
Remuneration	386,037	1,371,060	-	880,618

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Leasehold land	Freehold buildings/ Leasehold buildings	Motor vehicles	Plant and machinery	Fixtures fittings and equipment	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
As at 1 January 2018	809,514,006	-	15,609,529	5,909,968	99,920,465	7,027,459	937,981,427
Additions	9,545,903	-	16,963,057	-	2,013,517	8,011	28,530,488
Revaluation	-	-	2,327,882	-	-	-	2,327,882
Disposals	-	-	-	(2,008,903)	(3,653,553)	(2,066,408)	(7,728,864)
Written off	(1,695,723)	-	(1,602,272)	(2,891,403)	(96,677,205)	(4,969,062)	(107,835,665)
As at 30 June 2019	817,364,186	-	33,298,196	1,009,662	1,603,224	-	853,275,268
Effect of prior adjustment	(27,119,925)	27,119,925	-	-	-	-	-
As at 30 June 2019 (Restated)	790,244,261	27,119,925	33,298,196	1,009,662	1,603,224	-	853,275,268
Additions	-	1,009,143	-	-	-	-	1,009,143
As at 30 June 2020	790,244,261	28,129,068	33,298,196	1,009,662	1,603,224	-	854,284,411

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

Group	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 January 2018	-		2,679,517	5,572,914	76,286,665	5,254,322	89,793,418
Depreciation charge during the year	-	-	415,557	176,288	2,954,741	232,361	3,778,947
Disposals	-	-	-	(2,053,886)	(1,723,200)	(1,560,351)	(5,337,437)
Written off	-	-	(1,601,108)	(2,749,471)	(75,982,999)	(3,926,332)	(84,259,910)
As at 30 June 2019	-	-	1,493,966	945,845	1,535,207	-	3,975,018
Effect of prior year adjustment		1,969,034	-	-	-	-	1,969,034
As at 30 June 2019 (Restated)		1,969,034	1,493,966	945,845	1,535,207	-	5,944,052
Depreciation charge during the year	-	281,291	616,159	57,802	33,500	-	988,752
As at 30 June 2020	-	2,250,325	2,110,125	1,003,647	1,568,707	-	6,932,804
Net book Value							
As at 1 July 2019 (Restated)	790,244,261	25,150,891	31,804,230	63,817	68,017	-	847,331,216
As at 30 June 2020	790,244,261	25,878,743	31,188,071	6,015	34,517	-	847,351,607

Company	Motor vehicles RM	Plant and machinery RM	Fixtures fittings and equipment RM	Total RM
Cost				
As at 1 January 2018	896,973	52,911,426	3,447,847	57,256,246
Additions	-	2,013,517	8,011	2,021,528
Disposals	-	(957,215)	(258,000)	(1,215,215)
Written off	(167,622)	(52,364,503)	(3,197,858)	(55,729,983)
As at 30 June 2019	729,351	1,603,225	-	2,332,576
Additions	-	-	-	-
As at 30 June 2020	729,351	1,603,225	-	2,332,576

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

Company	Motor vehicles RM	Plant and machinery RM	Fixtures fittings and equipment RM	Total RM
Accumulated Depreciation				
As at 1 January 2018	699,276	31,688,534	3,352,788	35,740,598
Depreciation charge during the year	133,888	2,079,683	57,017	2,270,588
Disposals	-	(140,457)	(257,999)	(398,456)
Written off	(167,620)	(32,092,552)	(3,151,806)	(35,411,978)
As at 30 June 2019	665,544	1,535,208	-	2,200,752
Depreciation charge during the year	57,802	33,500	-	91,302
As at 30 June 2020	723,346	1,568,708	-	2,292,054
Net book Value				
As at 30 June 2019	63,807	68,017	-	131,824
As at 30 June 2020	6,005	34,517	-	40,522

12. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Shares in unquoted corporations, at cost	55,585,270	68,585,270
Additional during the year	216,446,000	3,000,000
Less: impairment loss on subsidiary	-	(16,000,000)
	272,031,270	55,585,270

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

Name	Principle activities	Effective equity interest	
		2020	2019
Seacera Ceramics Sdn. Bhd.	Marketing of all kinds of ceramic tiles	100%	100%
Seacera Tiles Marketing Sdn. Bhd.	Marketing of all kinds of ceramic tiles	100%	100%
Seacera Properties Sdn. Bhd.	Property development activities	100%	100%
Seacera Tech Sdn. Bhd.	General construction and trading activities	100%	80%
Seacera Polymer Sdn. Bhd.	Investment holdings	100%	100%
Seacera Porcelain Sdn. Bhd.	Dormant	100%	100%
Seacera Builders Sdn. Bhd.	Dormant	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR END 30 JUNE 2020

Name	Principle activities	Effective equity interest	
		2020	2019
Subsidiary company of Seacera Properties Sdn. Bhd.			
Duta Nilai Holdings Sdn. Bhd.	Property development activities	100%	100%
Subsidiary company of Duta Nilai Holdings Sdn. Bhd.			
Duta Skyline Sdn. Bhd.	Property development activities	100%	100%

During the financial year, the Company has subscribed to additional shares of RM1 each in the paid-up capital of Duta Skyline Sdn. Bhd. amounting to RM216,446,000.

13. GOODWILL

	Group	
	2020 RM	2019 RM
At 1 July 2019 / 1 January 2018	-	2,999,200
Less: Allowance for impairment	-	(2,999,200)
Carrying amount at 30 June	-	-

The carrying amount of goodwill is reviewed for impairment annually. Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit to which the goodwill relates. The recoverable amount has been determined based on value-in-use calculations. The key assumptions for the recoverable amount of all units are management's current estimates of net cash flows over a period of three years (2019 : three years) based on historical growth rate, taking into account industry developments and at the discount rate of 6.6 percent (2019 : 6.6 percent). During the financial year, the Group has reviewed the carrying amount of the goodwill from acquisition of Seacera Tech Sdn. Bhd. and recognised an impairment loss of RM nil (2019 : RM2,999,200).

14. RIGHT-OF-USE ASSETS

The Group and the Company has lease contract 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 amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
As at 1 July 2019 / 1 January 2018	-	-	-	-
Additions	856,712	-	-	-
Depreciation (Note 7)	(237,976)	-	-	-
As at 30 June	618,736	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
As at 1 July 2019 / 1 January 2018	-	-	-	-
Accretion of interest	17,889	-	-	-
As at 30 June	17,889	-	-	-

The following are the amounts recognised in profit and loss:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Depreciation expense of right-of-use assets	237,976	-	-	-
Interest expense on lease liabilities	17,889	-	-	-
Total amount recognised in statement of comprehensive income	255,865	-	-	-

15. INVENTORIES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
At cost:				
Raw material	-	2,840,120	-	2,840,120
Finished goods	2,789,543	6,241,066	1,319,636	3,916,073
Consumables	-	796,365	-	796,365
Miscellaneous	-	2,373,886	-	2,074,557
Work in progress	-	3,114	-	-
Tooling	-	4,995,507	-	4,995,507
	2,789,543	17,250,058	1,319,636	14,622,622
Less: Allowance for inventory written down	(2,413,347)	(16,030,422)	(1,263,798)	(14,622,622)
	376,196	1,219,636	55,838	-

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FOR THE FINANCIAL YEAR END 30 JUNE 2020

16. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2020	2019	2020	2019
Current	Note	RM	RM	RM	RM
Trade					
Trade receivables	(a)	1,392,852	1,949,041	515,534	747,951
Less: Allowance for expected credit losses		(732,589)	(866,677)	-	(747,951)
		660,263	1,082,364	515,534	-
Non-trade					
Other receivables	(d)	39,554,509	37,626,180	31,459,200	30,222,590
Deposits and prepayments		134,056	138,256	134,056	123,032
Amount due from subsidiaries	(b)	-	-	-	2,000,000
Total non-trade		39,688,565	37,764,436	31,593,256	32,345,622
Less: Allowance for expected credit losses		(1,044,619)	-	(759,368)	-
		38,643,946	37,626,180	30,833,888	32,345,622
Total trade and other receivables (current)		39,304,209	38,846,800	31,349,422	32,345,622
Non-current					
Amount due from Subsidiaries	(c)	-	-	33,029,025	247,138,938
Total trade and other receivables (current and non-current)		39,304,209	38,846,800	64,378,447	279,484,560

a) Trade receivables

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
As at 1 July 2019 / 1 January 2018	866,677	1,155,683	747,951	330,667
Provision for expected credit losses (Note 7)	732,589	747,951	-	747,951
Reversal of impairment loss (Note 7)	(866,677)	(1,036,957)	(747,951)	(330,667)
As at 30 June	732,589	866,677	-	747,951

b) Amount due from subsidiaries (Current)

Amount due from subsidiaries are related to financial guarantee given by the Company to its subsidiaries for banking facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

c) Amount due from subsidiaries (Non-current)

Amount due from subsidiaries are unsecured, interest free and not expected to be repaid within the next 12 months.

d) Other receivables

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
As at 1 July 2019 / 1 January 2018 /	-	-	-	-
Provision for expected credit losses (Note 7)	1,044,619	-	759,368	-
Reversal of impairment losses (Note 7)	-	-	-	-
As at 30 June	1,044,619	-	759,368	-

17. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash at bank	72,921	203,956	23,503	157,507
Cash in hand	7,059	-	7,059	-
Cash and bank balances	79,980	203,956	30,562	157,507
Less:				
Bank overdraft (Note 23)	(10,527,947)	(10,129,296)	(5,183,110)	(5,069,709)
Cash and cash equivalents	(10,447,967)	(9,925,340)	(5,152,548)	(4,912,202)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

18. SHARE CAPITAL

	Group / Company			
	2020		2019	
	Number of Ordinary Shares Units	Monetary Amount RM	Number of Ordinary Shares Units	Monetary Amount RM
Issued and fully paid				
At 1 July 2019 / 1 January 2018	474,623,845	397,512,072	353,054,999	353,004,999
Issuance of ordinary shares pursuant to:				
- Share options exercised under ESOS	7,100,000	1,359,500	64,350,000	16,757,500
- Share acquisition	-	-	10,973,451	12,400,000
- Private placement and purchase of land	-	-	37,528,895	7,205,548
- Conversion of Warrants	-	-	1,400,000	1,400,000
- Share Issuance	-	-	7,316,500	6,744,025
At 30 June	481,723,845	398,871,572	474,623,845	397,512,072

19. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	Group			
	2020		2019	
	Number of Ordinary Shares Units	Monetary Amount RM	Number of Ordinary Shares Units	Monetary Amount RM
Issued and fully paid				
At 1 January 2018 / 30 June	161,632,017	161,632,017	161,632,017	161,632,017

NOTES TO THE FINANCIAL STATEMENTS

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20. RESERVES

Group	← Reserves →			
	Non-Distributable		Distributable	Total Reserves
	Revaluation Reserves RM	Warrant Reserves RM	Retained Profits RM	
As at 1 January 2018	306,608,393	1,414,743	26,056,132	334,079,268
Effect of prior year adjustments	-	-	(1,547,099)	(1,547,099)
Loss for the financial year (Restated)	-	-	(191,605,049)	(191,605,049)
Revaluation of property, Plant and equipment	2,327,882	-	-	2,327,882
Expired of warrant reserve	-	(1,414,743)	1,414,743	-
Issuance of warrant reserve	-	1,400,000	(1,400,000)	-
As at 30 June 2019 (Restated)	308,936,275	1,400,000	(167,081,273)	143,255,002
As at 1 July 2019 (Restated)	308,936,275	1,400,000	(167,081,273)	143,255,002
Profit for the financial year	-	-	11,688,663	11,688,663
Accretion of interest in an existing subsidiary	-	-	(1,660,835)	(1,660,835)
As at 30 June 2020	308,936,275	1,400,000	(157,053,445)	153,282,830

Company	← Reserves →		
	Non-Distributable Warrant Reserves RM	Distributable Retained Profits RM	Total Reserves RM
	RM	RM	RM
At 1 January 2018	1,414,743	2,423,445	3,838,188
Loss for the financial year	-	(153,399,622)	(153,399,622)
Expired of warrant reserve	(1,414,743)	1,414,743	-
Issuance of warrant reserve	1,400,000	(1,400,000)	-
As at 30 June 2019	1,400,000	(150,961,434)	(149,561,434)
As at 1 July 2019	1,400,000	(150,961,434)	(149,561,434)
Profit for the financial year	-	7,444,463	7,444,463
As at 30 June 2020	1,400,000	(143,516,971)	(142,116,971)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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 Authority was on 28 June 2018.

During the financial year, there is no share buy-back by from the open market of the Company's ordinary shares listed and quoted as "Local" on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). On a cumulative basis, as at 30 June 2020, the Company has purchased 306,000 ordinary shares for RM180,945 representing an average of RM0.50 per share.

22. WARRANT RESERVE

Amount allocated in relation to the issuance of free warrants are credited to a warrant reserve which is non-distributable. Warrant reserve is 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.

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 equivalent to RM1,400,000

23. LOANS AND BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Short term borrowings				
Secured:				
Term loans	6,049,945	6,022,139	1,362,408	1,362,408
Hire purchase liabilities	1,286,694	1,286,694	1,286,694	1,286,694
Bankers' acceptance	6,320,300	6,320,300	4,820,300	4,820,300
Bank overdrafts (Note 17)	10,527,947	10,129,296	5,183,110	5,069,709
	24,184,886	23,758,429	12,652,512	12,539,111
Total loan and borrowings	24,184,886	23,758,429	12,652,512	12,539,111

The term loans are secured as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

The remaining maturities of loans and borrowings as at 30 June 2020 are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Maturity of loans and borrowings:				
Within one year or on demand	24,184,886	23,758,429	12,652,512	12,539,111

A reconciliation of liabilities arising from the Group's financing activities excluding bank overdrafts is as follows:

	1 July 2019	Cash changes		Non-cash changes	30 June 2020
	RM	Cash flows	Profit paid	Accretion of profit	RM
	RM	RM	RM	RM	RM
Group					
Term loans	6,022,139	27,806	426,928	(426,928)	6,049,945
Hire purchase liabilities	1,286,694	-	80,584	(80,584)	1,286,694
Bankers' acceptance	6,320,300	-	148,694	(148,694)	6,320,300
	13,629,133	27,806	656,206	(656,206)	13,656,939

	1 January 2018	Cash changes		Non-cash changes	30 June 2019
	RM	Cash flows	Profit paid	Accretion of profit	RM
	RM	RM	RM	RM	RM
Term loans					
- non-current	5,722,314	15,126	2,954,576	(2,954,576)	5,737,440
- current	284,699	-	-	-	284,699
Revolving credits	37,404,842	(37,404,842)	128,440	(128,440)	-
Hire purchase liabilities					
- non-current	514,717	282,254	252,688	(252,688)	796,971
- current	489,723	-	-	-	489,723
Bankers' acceptance	16,036,895	(9,716,595)	804,888	(804,888)	6,320,300
	60,453,190	(46,824,057)	4,140,592	(4,140,592)	13,629,133

	1 July 2019	Cash Changes		Non-cash Changes	30 June 2020
	RM	Cash flows	Profit paid	Accretion of profit	RM
	RM	RM	RM	RM	RM
Company					
Term loans	1,362,408	-	62,051	(62,051)	1,362,408
Hire purchase liabilities	1,286,694	-	80,584	(80,584)	1,286,694
Bankers' acceptance	4,820,300	-	6,925	(6,925)	4,820,300
	7,469,402	-	149,560	(149,560)	7,469,402

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	1 January 2018 RM	Cash Changes		Non-cash Changes	30 June 2019 RM
		Cash flows RM	Profit paid RM	Accretion of profit RM	
Term loans					
- non-current	1,121,642	(1,121,642)	-	-	-
- current	98,805	1,263,603	-	-	1,362,408
Revolving credits	2,000,000	(2,000,000)	111,801	(111,801)	-
Hire purchase liabilities					
- non-current	514,717	(514,717)	140,879	(140,879)	-
- current	489,723	796,971	-	-	1,286,694
Bankers' acceptance	7,655,850	(2,835,550)	504,461	(504,461)	4,820,300
	11,880,737	(4,411,335)	757,141	(757,141)	7,469,402

The effective interest rate of term loans was charged at rate 5.65% (2019: 5.65%) per annum.

The effective interest rate of hire purchase liabilities was charged at rates ranging from 4.07% to 8.35% (2019: 4.07% to 8.35%) per annum.

The effective interest rate of bankers' acceptance was charged at rates ranging from 4.42% to 4.43% (2019: 4.07% to 8.35%) per annum.

24. LEASE LIABILITY

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current				
Obligation under right-of-use asset (Note 14)	285,512	-	-	-
	285,512	-	-	-
Non-current				
Obligation under right-of-use asset (Note 14)	339,089	-	-	-
	339,089	-	-	-
Total lease liability	624,601	-	-	-

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Maturity of lease liability:				
Within one year	285,512	-	-	-
More than 1 year and less than 5 years	339,089	-	-	-
	624,601	-	-	-

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25. PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Present value of unfunded obligation and net liability in statement of the financial position	308,702	1,064,092	-	700,227

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
At 1 July 2019/ 1 January 2018	1,064,092	1,048,342	700,227	709,492
Expenses recognised in the statement of profit or loss and other comprehensive income	(755,390)	78,468	-	53,453
Benefit paid	-	(62,718)	-	(62,718)
Reversal	-	-	(700,227)	-
At 30 June	308,702	1,064,092	-	700,227

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		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Discount rate	7.00%	7.00%	7.00%	7.00%
Future salary increase	5.00%	5.00%	5.00%	5.00%

The expense is recognised in the following line items in the statements of profit or loss and other comprehensive income:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Other operating expenses	-	78,468	-	53,453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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 statement of financial position:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
At 1 July 2019 / 1 January 2018	43,907,827	46,099,830	(5,840,836)	(5,840,836)
Current year charged / (credited) to statement of profit or loss and other comprehensive income arising from:				
- Provision and others	1,421,309	(2,192,003)	-	-
	1,421,309	(2,192,003)	-	-
Current year charged / (credited) directly to equity arising from:				
- provision and others	-	-	-	-
	-	-	-	-
At 30 June	45,329,136	43,907,827	(5,840,836)	(5,840,836)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	51,169,972	49,748,663	-	-
Deferred tax assets	(5,840,836)	(5,840,836)	(5,840,836)	(5,840,836)
	45,329,136	43,907,827	(5,840,836)	(5,840,836)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
(a) Deferred Tax Liabilities				
Property, plant and equipment	-	2,937,615	-	2,937,615
Tax losses and allowance	-	-	-	-
Provisions and others	51,233,005	51,233,005	-	-
	51,233,005	54,170,620	-	2,937,615
Offsetting	(1,051,326)	(10,262,793)	-	(2,937,615)
Total Deferred Tax Liabilities After Offsetting	50,181,679	43,907,827	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
(b) Deferred Tax Assets				
Tax losses and allowance	(1,051,326)	(10,262,793)	-	(8,778,451)
	(1,051,326)	(10,262,793)	-	(8,778,451)
Offsetting	1,051,326	10,262,793	-	2,937,615
Total Deferred Tax Liability / (Assets) After Offsetting	-	-	-	(5,840,836)

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

	Group	
	2020 RM	2019 RM
Unutilised tax losses	11,387,187	6,775,154
Unabsorbed capital allowance	71,946,218	71,946,218
	83,333,405	78,721,372

27. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Current					
Trade					
Trade payables		14,871,634	13,811,371	13,439,186	12,842,940
Non-trade					
Other payables		55,085,645	48,498,262	3,103,080	1,065,907
Accrued expenses		32,785,920	54,196,028	31,939,257	41,085,770
Financial guarantee	(c)	-	-	-	2,000,000
		87,871,565	102,694,290	35,042,337	44,151,677
Total	(a)	102,743,199	116,505,661	48,481,523	56,994,617
Non-Current					
Amount due to Subsidiaries	(b)	-	-	23,953,516	22,476,953
		-	-	23,953,516	22,476,953
Total trade and other payables (current and non-current)		102,743,199	116,505,661	72,435,039	79,471,570

(a) 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 (2019 : 30 days to 90 days) from the invoice date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

(b) Amount due to subsidiaries

Amount due to subsidiaries are unsecured, interest free and expected to be repaid within the next 12 months.

(c) Financial guarantee

The financial guarantee is a guarantee given by the Company to its subsidiaries for banking facilities.

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 and marketing of all kinds of ceramic tiles, building materials and personal protective equipments.
- (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.

	Trading RM	Property/ Construction RM	Elimination RM	Consolidated RM
2020				
Revenue-external	2,258,991	-	-	2,258,991
Operating profit / (loss)	11,088,454	(406,813)	894,392	11,576,033
Interest expense	(657,969)	-	-	(657,969)
Profit before tax	10,430,485	(406,813)	894,392	10,918,064
Tax expense	770,624	(25)	-	770,599
Net profit for the year	11,201,109	(406,838)	894,392	11,688,663
Segment assets	411,564,301	1,358,235,020	(881,999,180)	887,800,141
Segment liabilities	143,526,294	544,763,208	(514,094,835)	174,194,667
Depreciation and Amortisation	988,752	-	-	988,752

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

	Tiles RM	Property/ Construction RM	Elimination RM	Consolidated RM
2019				
Revenue-external	33,333,409	4,106,528	(12,392,759)	25,047,178
Operating profit	(93,387,053)	(90,680,085)	(2,415,870)	(186,483,008)
Interest expense	(3,643,675)	(2,160,405)	-	(5,804,080)
Finance income	293,780	2,179,180	(2,179,180)	293,780
Profit before tax	(96,736,948)	(90,661,310)	(4,595,050)	(191,993,308)
Income Tax expense	(168,710)	(42,919)	-	(211,629)
Net Loss for the year	(96,905,658)	(90,704,229)	(4,595,050)	(192,204,937)
Segment assets	410,327,570	1,004,790,788	(525,358,302)	889,760,056
Segment liabilities	134,040,300	608,215,997	(555,022,586)	187,233,711
Depreciation and Amortisation	3,339,177	439,770	-	3,778,947

Geographical segments

The Group's production facilities are located in Malaysia only.

In determining the geographical segment of the Group, revenue is based on the geographical location of customers.

	Revenue	
	2020 RM	2019 RM
Malaysia	2,258,991	23,028,703
Asean countries	-	2,018,475
	2,258,991	25,047,178

29. RELATED PARTY TRANSACTIONS

Identity 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.

The Group has a related party relationship with its subsidiaries, Directors and key management personnel.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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

	Revenue	
	2020	2019
	RM	RM
Sales to subsidiaries		
- Seacera Ceramics Sdn. Bhd.	-	11,711,407
- Seacera Tiles Marketing Sdn. Bhd.	-	1,815,335
Share of expenses with subsidiaries		
- Seacera Ceramics Sdn. Bhd.	-	1,408,539
- Seacera Tiles Marketing Sdn. Bhd.	-	327,171
- SPAZ Sdn. Bhd.	-	81,037

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 business. The Group and the Company has 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

Group	On demand or within one year RM	One to five years RM	Total RM
30 June 2020			
Financial liabilities:			
Trade and other payables	102,743,199	-	102,743,199
Bank overdrafts	10,527,947	-	10,527,947
Term loans	6,049,945	-	6,049,945
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	6,320,300	-	6,320,300
	126,928,085	-	126,928,085

30 June 2019

Financial liabilities:			
Trade and other payables	116,505,661	-	116,505,661
Bank overdrafts	10,129,296	-	10,129,296
Term loans	6,022,139	-	6,022,139
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	6,320,300	-	6,320,300
	140,264,090	-	140,264,090

Company	On demand or within one year RM	One to five years RM	Total RM
30 June 2020			
Financial liabilities:			
Trade and other payables	72,435,039	-	72,435,039
Bank overdrafts	5,183,110	-	5,183,110
Term loans	1,362,408	-	1,362,408
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	4,820,300	-	4,820,300
	85,087,551	-	85,087,551

30 June 2019

Financial liabilities:			
Trade and other payables	79,471,570	-	79,471,570
Bank overdrafts	5,069,709	-	5,069,709
Term loans	1,362,408	-	1,362,408
Hire purchase liabilities	1,286,694	-	1,286,694
Bankers' acceptances	4,820,300	-	4,820,300
	92,010,681	-	92,010,681

NOTES TO THE FINANCIAL STATEMENTS

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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

An increase in market interest rates by 1% on financial assets and liabilities of the Group and the Company which have variable interest rates at the reporting date would decrease the profit before tax by RM283,330 and profit before tax by (2019 : RM435,583) and other comprehensive income by RM19,034 (2019 : RM18,793). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial assets and liabilities of the Group and the Company which have variable interest rates at the reporting date would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

d) Currency risk

The Group and the Company have sales transactions and borrowings that are denominated in United States Dollar, Singapore Dollar and Euro.

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.

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	
	2020	2019	2020	2019
	Functional currencies Ringgit Malaysia		Functional currencies Ringgit Malaysia	
	RM	RM	RM	RM
Financial assets and liabilities not held in functional currency				
Trade and other receivables				
US Dollar	321,036	310,535	230,733	223,186
Singapore Dollar	528,013	526,293	431,254	429,849
	849,049	836,828	661,987	653,035
Cash and bank balances				
US Dollar	2,372	409	101	101
Singapore Dollar	167	271	167	167
	2,539	680	268	268

NOTES TO THE FINANCIAL STATEMENTS

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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.

31. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. 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	L&R / (OL)	Carrying Amount	L&R / (OL)
	RM	RM	RM	RM
2020				
Financial assets				
Trade and other receivables	39,304,209	1,745,107	31,349,422	1,385,644
Cash and bank balances	79,980	3,519	30,562	1,358
2019				
Financial assets				
Trade and other receivables	38,846,800	38,846,800	32,345,622	279,484,560
Cash and bank balances	203,956	203,956	157,507	157,507
2020				
Financial liabilities				
Trade and other payables	102,743,199	4,520,701	48,481,523	2,133,187
Loans and borrowings	24,184,886	1,078,659	12,652,512	561,772
2019				
Financial liabilities				
Trade and other payables	116,505,661	116,505,661	56,994,617	79,471,570
Loans and borrowings	23,758,429	23,758,429	12,539,111	12,539,111

b) Fair value of financial instruments carried at amortised cost and cost

The carrying amounts of the financial assets and financial liabilities are recognised at their fair values, except for the following financial assets and financial liabilities which are initially recognised at cost and amortised cost after initial recognition. However, the Directors are of the opinion that the carrying amounts do not materially different from their fair values:

NOTES TO THE FINANCIAL STATEMENTS

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Group	2020		2019	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial assets				
<i>Loans and receivables</i>				
Trade and other receivables	39,304,209	39,304,209	38,846,800	38,846,800
Cash and bank balances	79,980	79,980	203,956	203,956
	39,384,189	39,384,189	39,050,756	39,050,756
Financial liabilities				
<i>Financial liabilities at amortised cost</i>				
Bank overdrafts	10,527,947	10,527,947	10,129,296	10,129,296
Term loans	6,049,945	6,049,945	6,022,139	6,022,139
Hire purchase liabilities	1,286,694	1,286,694	1,286,694	1,286,694
Bankers' acceptance	6,320,300	6,320,300	6,320,300	6,320,300
Trade and other payables	102,743,199	102,743,199	116,505,661	116,505,661
	126,928,085	126,928,085	140,264,090	140,264,090

Company	2020		2019	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial assets				
<i>Loans and receivables</i>				
Trade and other receivables	64,378,447	64,378,447	279,484,560	279,484,560
Cash and bank balances	30,562	30,562	157,507	157,507
	64,409,009	64,409,009	279,642,067	279,642,067
<i>Investment at cost</i>				
Unquoted equity instruments	272,031,270	272,031,270	55,585,270	55,585,270
Financial liabilities				
<i>Financial liabilities at amortised cost</i>				
Bank overdrafts	5,183,110	5,183,110	5,069,709	5,069,709
Term loans	1,362,408	1,362,408	1,362,408	1,362,408
Hire purchase liabilities	1,286,694	1,286,694	1,286,694	1,286,694
Bankers' acceptance	4,820,300	4,820,300	4,820,300	4,820,300
Trade and other payables	72,435,039	72,435,039	79,471,570	79,471,570
	85,087,551	85,087,551	92,010,681	92,010,681

Valuation techniques and significant assumptions used in determining fair value of financial assets and financial liabilities recognised at amortised cost or cost after initial recognition, other than non-current borrowings, are as follows:

NOTES TO THE FINANCIAL STATEMENTS

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Financial assets and liabilities with published price in active markets

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to their quoted market price.

The fair values of financial assets and financial liabilities not traded on active market are determined by using generally accepted valuation techniques.

Trade and other receivables, fixed deposits, cash and bank balances, bank overdrafts and trade and other payables

The carrying amounts approximate the fair values due to their short-term nature.

Non-current borrowings

Non-current borrowings are determined by discounting the relevant cash flows using the current interest rates for similar instruments at the reporting date and their carrying amounts are expected to approximate fair values.

Unquoted equity instruments

The fair value information for unquoted equity instruments recognised at cost are not disclosed as the fair value cannot be measured reliably as these unquoted equity instruments do not have quoted market prices in active markets. The Company intends to hold these unquoted equity instruments to supplement the Company's business operations and does not foresee to dispose of these financial instruments in the foreseeable future.

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	
		2020	2019	2020	2019
		RM	RM	RM	RM
Debts					
Loans and borrowings	23	24,184,886	23,758,429	12,652,512	12,539,111
Trade and other payables	27	102,743,199	116,505,661	72,435,039	79,471,570
Less: Cash and bank balances	17	(79,980)	(203,956)	(30,562)	(157,507)
Net debt		126,848,105	140,060,134	85,056,989	91,853,174
Total equity		713,605,474	700,557,311	256,573,656	247,769,693
Gearing ratio – Total debts over total equity		0.17	0.20	0.33	0.37

Under requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to no default of payment. The Company has not complied with this requirement. On 18 April 2019, the Company announced that it has triggered the prescribed criteria under paragraph 2.1(f) of PN17.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

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.

Due to the outbreak of COVID-19 and implementation of CMCO by the government, the Exchange has declared a longer timeframe for the Company to submit its regularization from 25 April 2020 to 25 April 2021. The circular of announcement from Bursa is dated at 26 March 2020.

33.2 CORONAVIRUS (COVID-19) PANDEMIC

The emergence and spread of coronavirus (Covid-19) in early 2020 has affected business and economic activities in Malaysia and beyond. The Company considers this outbreak to be a non-adjusting subsequent event. The Company will monitor the developments of COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Company.

Given the dynamic nature of these circumstances, the related impact on the Company's results of operations, cash flows and financial condition could not be reasonably estimated at this stage.

33.3 RESTRAINING ORDER ("RO") STATUS

On 17 September 2020, the extension of restraining order filed by Asiabio Capital Sdn. Bhd. was not granted by the High Court of Kuala Lumpur.

33.4 WINDING UP PETITION

On 30 September 2020, the Judge has allowed winding up petition filed by Ahmad Zaki Sdn. Bhd. against Seacera Ceramics Sdn. Bhd., one of the subsidiaries of the Company with costs. In the event, Ambank Islamic Bank Berhad act as a supporting creditor, Notice of Motion to appoint a private liquidator, Mr. Andrew Heng from Ferrier Hodgson MH Sdn. Bhd. in which the judge has allowed the said appointment.

Subsequently, on 2 October 2020, the Company has furnished to Bursa Securities with additional information for public release.

33.5 MONEY LENDING LICENSE

Referring to the matter above, on 5 October 2020, one of the Company's wholly-owned subsidiary, Seacera Polymer Sdn. Bhd. ("SPSB") has obtained the certificate of money lending license which was dated 29 September 2020 from Ministry of Housing and Local Government under the Moneylenders Act 1951 and Moneylenders (Control and Licensing) Regulations 2003 ("License"). The License shall be valid for a period of 2 years and is renewable upon submission of the application for renewal.

The License enable SPSB to undertake the business relating to money lending activities to enhance income stream and the financial position of the Group.

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34. MATERIAL LITIGATIONS

The following are a summary of litigation matters involving the Group and the Company:

NO	CASE NO	PLAINTIFF/ PETITIONER	DEFENDANT/ RESPONDENT	AMOUNT CLAIM (RM)	STATUS 1. Announcement dates 2. Latest Status
1.	(WA-22NCC -433-08/2019)	MDI Energy Sdn. Bhd.	Seacera Properties Sdn. Bhd.	6,000,000.00	1) 15.8.19, 19.8.19, 7.10.19, 18.11.19, 6.12.19, 7.1.2020, 17.4.2020, 4.5.2020, 19.5.2020, 18.9.2020 & 28.9.2020 2) CM on 16.11.2020
2.	(WA-22NCC -114-03/2019)	Gan Hai Toh	Seacera Group Berhad	5,500,000.00	1) 27.3.19, 27.5.19, 30.5.19, 4.6.19, 12.6.19, 9.7.19, 18.7.19, 18.9.19, 7.10.19, 25.11.19, 6.1.2020, 21.1.2020, 30.1.2020, 3.3.2020, 20.3.2020, 21.5.2020, 5.6.2020 & 6.8.2020 2) CM (Appeal) on 4.11.2020 3) Hearing on 18.11.2020
3.	(WA-22NCVC -792-11/2018)	Mahawira Niaga Sdn. Bhd.	Seacera Ceramics Sdn. Bhd.	a) 1,762,895.03 b) 1,579,422.07 (interest)	1) 10.12.18, 13.12.18, 3.5.19, 18.6.19, 19.8.19, 25.10.19, 3.12.19, 4.2.2020, 4.5.2020 & 16.6.2020 2) 3.12.19 – O.29 application by Plaintiff is dismissed with cost RM2,000.00 3) Court has yet fixed the decision date.
4.	(WA-22M -574-08/2019) (Banking Facility)	SME Bank Berhad	Seacera Group Berhad & 2 Ors	36,459,691.73	1) 19.8.19, 21.8.19, 10.9.19, 10.10.19, 10.12.19, 7.1.2020, 4.2.2020, 5.5.2020, 25.6.2020 2) CM on 13.11.2020
5.	(WA-28NCC -800-08/2019) (Winding Up Petition)	Zaike Global Resources Sdn. Bhd.	Seacera Properties Sdn. Bhd.	6,500,000.00	1) 17.7.19, 21.8.19, 26.8.19, 26.9.19, 11.10.19, 22.11.19, 10.1.2020, 17.4.2020, 18.5.2020, 16.6.2020, 25.8.2020, 5.10.2020 & 21.10.2020 2) On 2.10.2020 – Court dismissed encl. 35 with costs. 3) Hearing Encl.1 on 6.1.2021
6.	(WA-28NCC -956-09/2019) (Winding Up Petition)	GTS Contractor Sdn. Bhd.	Seacera Porcelain Sdn. Bhd.	2,689,425.39	1) 29.7.19, 23.9.19, 1.10.19, 7.11.19, 27.11.19, 10.12.19, 19.12.19, 31.12.19, 24.1.2020, 11.3.2020, 23.7.2020, 5.10.2020 & 26.10.2020 2) Hearing on 19.1.2021

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

NO	CASE NO	PLAINTIFF/ PETITIONER	DEFENDANT/ RESPONDENT	AMOUNT CLAIM (RM)	STATUS
					1. Announcement dates 2. Latest Status
7.	(BA-24NCC -122-08/2019) (Joint Venture Agreement)	Datuk Ismail Bin Othman	Duta Skyline Sdn. Bhd. & Amazing Symphony Sdn. Bhd.	-	1) 6.9.19, 11.9.19, 30.9.19, 5.10.19, 13.11.19, 10.1.2020 & 16.4.2020, 3.7.2020, 11.9.2020 and 5.10.2020 2) Hearing on 12.11.2020
8.	(WA-22NCC -603-10/2019) (Appointment of directors & company secretary)	Datuk Ismail Othman & 4 Ors	Seacera Group Berhad, Seacera Properties Sdn. Bhd., Duta Nilai Holdings Sdn. Bhd. & Duta Skyline Sdn. Bhd.	-	1) 5.11.19, 12.11.19, 7.1.2020, 2.3.2020, 31.3.2020, 19.5.2020, 19.8.2020, 25.8.2020 & 18.9.2020 & 19.10.2020 2) CM on 2.11.2020 3) Trial on 4-6 Jan 2021 & 15.1.2021
9.	S.466 notice (Winding Up Notice)	Bukit Buloh Premix Sdn. Bhd.	Seacera Ceramics Sdn. Bhd.	31,406.81	1) 24.7.2020 2) Received on 23.7.2020
10.	(BA-24MFC -818-11/2019) (Foreclosure)	Ambank Islamic Berhad	Seacera Ceramics Sdn. Bhd.	12,908,777.49	1) 18.9.19, 1.11.19, 12.11.19, 14.11.19, 14.1.2020, 10.3.2020, 4.5.2020, 18.6.2020, 27.8.2020 & 22.9.2020 2) CM on 11.11.2020 3) Hearing on 12.11.2020
11.	(WA-A52NCC -2705-10/2019)	Ipmuda Berhad	Seacera Ceramics Sdn. Bhd. & Seacera Group Berhad	238,990.89	1) On 19.8.2020 - 0.14 granted with costs RM3,000.00 (O.14 application)
12.	(BA-24C -104-10/2019) (Enforcement of CIPAA Judgment)	Zull G Architect	Seacera Group Berhad	322,958.13	1) 7.10.2020 – enforcement of CIPAA judgment was allowed.
13.	(B-02(C)(W) -11122-06/2019) (Appeal)	GTS Contractor Sdn. Bhd.	Seacera Porcelain Sdn. Bhd. & SPAZ Sdn. Bhd.	2,444,435.34 100,000.00 (cost)	1) CM on 2.2.2021 (e-Review) 2) Hearing on 15.2.2021
14.	(BA-22C -11-03/2018) (Stay application)	GTS Contractor Sdn. Bhd.	Seacera Porcelain Sdn. Bhd.	-	1) 2.10.2020 – application for stay was dismissed
15.	(AB-24MFC -138-11/2019) (Foreclosure)	SME Bank.	Seacera Porcelain Sdn. Bhd.	31,251,098.05	1) 4.12.19, 30.12.19, 14.1.2020, 3.2.2020, 14.2.2020, 12.3.2020, 16.6.2020, 25.8.2020, 18.9.2020 & 9.10.2020 2) Hearing on 3.12.2020
16.	(WA-28NCC -1343-12/2019) (Winding Up Petition)	Ahmad Zaki Sdn. Bhd.	Seacera Ceramics Sdn. Bhd.	699,666.73	1) 19.8.19, 8.1.2020, 19.2.2020, 17.7.2020, 19.8.2020 & 30.9.2020 30.9.2020 – winding up order granted.
17.	(WA-76J -3561-12/2019) (Judgment Debtor Summon)	Ikut Potensi Sdn. Bhd.	Seacera Ceramics Sdn. Bhd.	20,000.00	1) 5.10.2020 – JDS was cancelled by the court due to the winding up order obtained on 30.9.2020 against Seacera Ceramic Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

NO	CASE NO	PLAINTIFF/ PETITIONER	DEFENDANT/ RESPONDENT	AMOUNT CLAIM (RM)	STATUS 1. Announcement dates 2. Latest Status
18.	S.466 notice (Winding Up Notice)	Ambank Islamic Berhad	Seacera Ceramics Sdn. Bhd.	18,507,641.55	1) 14.2.2020 & 19.2.2020 2) Received on 14.2.2020
19.	S.466 notice (Winding Up Notice)	Ambank Islamic Berhad	Seacera Group Berhad	31,661,280.64	1) 14.2.2020 & 19.2.2020 2) Received on 14.2.2020
20.	(WA-21NCVC -11-01/2020)	LHDN	Duta Skyline Sdn. Bhd.	25,622,803.33	1) 18.2.2020, 26.2.2020, 16.4.2020 19.5.2020, 8.7.2020, 25.8.2020, 28.8.2020, 8.9.2020 & 22.10.2020 2) 4.9.2020 - Encl. 13 dismissed with costs. 3) 2.11.2020 - Hearing Encl.15 was vacated 4) 26.11.2020 - CM
21.	(WA-22NCC 101-02/2020)	Maybank	Seacera Ceramics Sdn. Bhd./Seacera Group Berhad	1,508,953.41	1) 2.3.2020, 10.3.2020, 10.6.2020, 1.9.2020, 1.10.2020 & 21.10.2020 2) CM on 11.11.2020
22.	S.466 notice (Winding Up Notice)	Odemax Petroleum Sdn. Bhd.	Seacera Group Berha	11,297.30	1) 25.7.2019 2) Received on 25.7.2019
23.	(WA-22NCC -244-06/2020)	Duta Nilai Holdings Sdn. Bhd.	Datuk Ismail & 4 Ors	-	1) 18.6.2020, 14.7.2020, 11.8.2020, 27.8.2020, 28.9.2020 & 19.10.2020 2) CM has not fixed yet by the Court
24.	(WA-56WS -15-02/2020)	EC Piles Sdn. Bhd.	Seacera Cermics Sdn. Bhd./Seacera Group Berhad	536,918.34	1) Received on 13.10.2020 2) Auction on 16.12.2020
25.	(WA-22NCC -262-06/2020)	Al-Amin Strategic Commodity	Duta Nilai Holdings Sdn. Bhd.	8,081,608.56	1) 26.6.2020, 14.7.2020, 11.8.2020, 27.8.2020, 28.9.2020 & 19.10.2020 2) 19.10.2020 - application of striking out by the defendant was not allowed by the court. 3) CM has not fixed yet by the court.
26.	(BA-29NCC 3304-06/2019) (Bankruptcy Notice)	Seacera Properties Sdn. Bhd.	Mohamad Faisal Abdul Gaffar	698,040.50	CM (Appeal Notice) on 26.10.2020
27.	(BA-24C -117-11/2019) (Set Aside of Judgment)	Seacera Group Berhad	Zull G Architect	322,958.13	7.10.2020 – application to set aside CIPAA judgment was dismissed.
28.	(BD-A72NCvC -75-06/2020)	Seacera Ceramics Sdn. Bhd.	My Décor Sdn. Bhd.	90,950.34	Withdrawal Notice dated 10.7.2020
29.	(WA-A52NCvC -377-06/2020)	Seacera Ceramics Sdn. Bhd.	Cerasia (Far East) Sdn. Bhd.	139,457.43	1) CM on 4.12.2020 2) Trial on 14-15.12.2020 (Encl. 1)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 30 JUNE 2020

NO	CASE NO	PLAINTIFF/ PETITIONER	DEFENDANT/ RESPONDENT	AMOUNT CLAIM (RM)	STATUS 1. Announcement dates 2. Latest Status
30.	(WA-A72NCvC -17423-06/2020)	Seacera Tiles Marketing Sdn. Bhd.	Cerasia (Far East) Sdn. Bhd.	45,865.14	1) CM on 12.11.2020 2) Trial on 11 – 13 Jan 2021
31.	(BD-A72NCVC -81-06/2020)	Seacera Ceramics Sdn. Bhd.	Cerasia International Sdn. Bhd.	25,493.41	1) CM on 20.11.2020
32.	(BD-B52NCVC -4-08/2020)	Seacera Tiles Marketing Sdn. Bhd.	Cerasia International Sdn. Bhd.	368,882.01	CM on 2.11.2020

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. 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.

36. PRIOR YEAR ADJUSTMENTS

During the year, the adjustment presented below was made retrospectively relating to the prior financial year of the Company was mainly due to the under recognition of depreciation as at prior year's reporting date.

	As previously stated RM	Adjustment RM	As restated
Statement of profit or loss			
Administrative expenses	(165,660,660)	(421,935)	(166,082,595)
Loss for the period	(191,783,002)	(421,935)	(192,204,937)
Statement of financial position			
Property, plant and equipment	849,300,250	(1,969,034)	847,331,216
Reserves	145,224,036	(1,969,034)	143,255,002

37. COMPARATIVES

The comparative figures have been audited by a firm of chartered accountants other than Al Jafree Salihin Kuzaimi PLT.

LIST OF PROPERTIES

No	Location	Tenure	Description Of Existing Use	Acquisition/ Revaluation Date	Approximate / Age Of Building (Years)	Total Area (Sq. Ft.)	Net Book Value (RM)
1.	Parcel No. A01-01, Ground Floor Hexagon Tech Park Georgetown, Pulau Pinang. Held under Master Title Geran No. 62531, Lot 862, Section 10, Town of Georgetown, District of North East, State of Pulau Pinang.	Freehold	Vacant Ground	21 August 2008	19	15,328	8,959,389
2.	No. 32, Jalan SS19/1D, SS19, Subang Jaya, 47500 Subang Jaya, Selangor Darul Ehsan. Held under Individual Title GRN 293193, Lot No. 6240, Bandar of Subang Jaya, District of Petaling, Selangor Darul Ehsan.	Freehold	Four storey shop for office	16 Jun 2017	42	4,065	3,903,937
3.	No. 8-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. A-3A-3AA	Leasehold	Hostel	19 April 2010	13	827	104,343
4.	No. 6-3B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. A-3-3A	Leasehold	Hostel	6 May 2010	13	827	107,750
5.	No. 17-2A-B, Jalan OS 1/2, One Selayang, 68100 Batu Caves, Selangor Darul Ehsan, Held under Master Title H.S.(D) 20573, P.T No. 27148, Mukim of Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. E-9-3AA	Leasehold	Hostel	6 May 2010	13	827	102,980
6.	No. 35-3B, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. F-8-3A	Leasehold	Hostel	5 July 2010	13	827	104,285

List of Properties (continue)

No	Location	Tenure	Description Of Existing Use	Acquisition/ Revaluation Date	Approximate / Age Of Building (Years)	Total Area (Sq. Ft.)	Net Book Value (RM)
7.	No. 11A-2AB, Jalan OS 1/1, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. E-7-3AA	Leasehold	Hostel	26 June 2010	13	827	104,285
8.	No. 9-2A-B, Jalan OS 1/3, One Selayang, 68100 Batu Caves Selangor Darul Ehsan. Master Title H.S. (D) 20573, P.T No. 27148, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan. Identified as Unit No. B-5-3AA	Leasehold	Hostel	20 October 2010	13	827	92,576
9.	PM249, M1-B Tingkat 4, Petak 105, Lot 52019, Mukim Batu, District of Gombak and State of Selangor Darul Ehsan.	Leasehold	Hostel	17 October 2014	20	775	55,283
10.	H.S.(D) 29242, PT 23041 Mukim Asam Kumbang, District of Larut & Matang, State of Perak Darul Ridzuan	Leasehold	Land for Factory	10 June 2015	Not Applicable	783,324	10,547,309
11.	H.S.(D) 29243, PT23042 Mukim Asam Kumbang, District of Larut & Matang, State of Perak Darul Ridzuan	Leasehold	Land for Factory	10 June 2015	Not Applicable	569,841	7,676,157
12.	H.S.(D) 31938, PT 24244 Mukim Asam Kumbang, District of Larut & Matang, State of Perak Darul Ridzuan.	Leasehold	Land for Factory	10 June 2015	Not Applicable	114,614	1,544,209
13.	Lot 613, Geran 23940, Mukim Ulu Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan.	Freehold	Land for Property Development	28 September 2020	Not Applicable	21,845,340	786,000,000
14.	Lot No. 1749, Mukim Of Tangga Batu, District Of Melaka Tengah, State Of Melaka.	Leasehold	Warehouse Factory	20 March 2017	30	169,402	16,569,567
	Total						835,872,070

ANALYSIS OF SHAREHOLDINGS

as at 23 SEPTEMBER 2020

SEACERA GROUP BERHAD - ORDINARY SHARE CAPITAL (7073)

Issued No. of Shares/Unit	:	481,723,845 (inclusive of 306,000 treasury shares)
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote for one ordinary share

1. DISTRIBUTION SCHEDULES OF EQUITY SECURITY BY NATIONALITY & INCORPORATION TYPE AS AT 23/09/2020

Size of Holdings	No. of Shareholders	%	No. of Shares/Unit	% of Shares/Unit
Less than 100 shares	373	12.08	17,425	0.00
100 – 1,000 shares	304	9.84	150,861	0.03
1,001 – 10,000 shares	1,372	44.42	6,917,040	1.44
10,001 – 100,000 shares	811	26.25	27,329,049	5.68
100,001 to less than 5% of issued shares	228	7.38	366,903,470	76.21
5% and above of issued shares	1	0.03	80,100,000	16.64
Total	3,089	100.00	481,417,845	100.00

Total issued shares as at 23 September 2020 : 481,723,845

Treasury shares as per Record of Depositors dated 23 September 2020 : 306,000

2. OWNERSHIP OF ISSUED SHARE CAPITAL AS AT 23/09/2020

CATEGORY OF HOLDERS	No. of Shareholders	% of Holders	No. of Shares/Unit	% of Shares/Unit
INDIVIDUAL	2,481	80.32	232,512,020	48.30
A - BANKS/FINANCE COMPANIES	0	0.00	0	0.00
B - TRUSTS/FOUNDATION/CHARITY	1	0.03	118,000	0.02
C - PRIVATE/LIMITED COMPANY	26	0.84	113,182,700	23.51
D - PENSION FUNDS & CHARITY	0	0.00	0	0.00
E - OTHERS	0	0.00	0	0.00
GOV. AGENCIES/INSTITUTIONS	1	0.03	900,000	0.19
NOMINEES	580	18.78	134,705,125	27.98
Total	3,089	100.00	481,417,845	100.00

Analysis of Shareholdings (continue)

as at 23 SEPTEMBER 2020

3. DIRECTORS' SHAREHOLDINGS (as per register of directors' shareholdings as at 23 September 2020)

No	Name	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Dato' Dr Azirul Salihin Bin Anuar	0	0.00	0	0.00
2.	Chua Yeong Lin	0	0.00	0	0.00
3.	Nicholas Wong Yew Khid	0	0.00	0	0.00
4.	Mah Soon Chai	0	0.00	0	0.00
		0	0.00	0	0.00

4. SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders as at 23 September 2020)

No.	Name	Direct Interest		Indirect Interest	
		No. of Shares	%	No. of Shares	%
1.	Asiabio Capital Sdn Bhd	92,273,000	19.17	0	0.00
2.	Fintec Global Berhad	0	0.00	92,273,000	19.17
		92,273,000	19.17	92,273,000	19.17

5. THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors as at 23 September 2020)

(Without Aggregating Securities from Different Securities Accounts Belonging to the same Registered Holders).

No.	Name	No. of Shares	Percentage %
1.	ASIABIO CAPITAL SDN BHD	80,100,000	16.64
2.	TAI YOK YEN	22,019,600	4.57
3.	M & A NOMINEE (ASING) SDN BHD (320470H) SANSTON FINANCIAL GROUP LIMITED FOR SFG INVESTMENT LIMITED	18,100,000	3.76
4.	TA NOMINEES (TEMPATAN) SDN BHD (268290H) PLEDGED SECURITIES ACCOUNT FOR ONG ENG TAIK	15,505,000	3.22
5.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (284597P) EXEMPT AN FOR MAYBANK KIM ENG SECURITIES PTE LTD (A/C 649063)	15,173,000	3.15
6.	PIONG YON WEE	14,860,900	3.09
7.	MAK HON LEONG.	14,350,000	2.98
8.	M & A NOMINEE (TEMPATAN) SDN BHD (320471T) SANSTON FINANCIAL GROUP LIMITED FOR TAY BEN SENG, BENSON	12,100,000	2.51
9.	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD (284592K) EXEMPT AN FOR MAYBANK KIM ENG SECURITIES PTE LTD (A/C 648849)	12,000,000	2.49
10.	JS PORTFOLIO SDN.BHD.	10,840,500	2.25

Analysis of Shareholdings (continue)

as at 23 SEPTEMBER 2020

No.	Name	No. of Shares	Percentage %
11.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD (8424H) PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	10,000,000	2.08
12.	LAI TZE JIN	9,020,900	1.87
13.	LAI YEE VOON	8,366,600	1.74
14.	FANTASTIC FORTRESS SDN BHD	7,725,563	1.61
15.	ONG KIAN HUAT.	7,647,800	1.59
16.	HSBC NOMINEES (ASING) SDN BHD (4381U) EXEMPT AN FOR CREDIT SUISSE (SWITZERLAND) LTD	7,500,000	1.56
17.	CHAN CHEE HONG	6,685,000	1.39
18.	QUEK SOON TIANG	6,478,200	1.35
19.	ISMAIL BIN OTHMAN	6,176,400	1.28
20.	WEE KOK CHUAN	5,839,400	1.21
21.	QUEK YONG WAH	5,358,700	1.11
22.	HONG WEA PING	5,154,100	1.07
23.	TA NOMINEES (TEMPATAN) SDN BHD (268290H) PLEDGED SECURITIES ACCOUNT FOR NG SHIAU HUI	5,061,100	1.05
24.	QUEK SOON TIANG	4,768,200	0.99
25.	PANG KIA FATT	4,606,200	0.96
26.	KENANGA NOMINEES (ASING) SDN BHD (280043U) EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	4,535,800	0.94
27.	KRETELLA ASIA LIMITED	4,500,000	0.93
28.	TA NOMINEES (TEMPATAN) SDN BHD (268290H) PLEDGED SECURITIES ACCOUNT FOR ONG JIE SEAK	4,145,000	0.86
29.	AMSEC NOMINEES (TEMPATAN) SDN BHD (102918T) AYAMKUAT MAJU (KUALA LUMPUR) SDN BHD	3,372,000	0.70
30.	I-ZEN RESIDENCES SDN. BHD.	3,350,000	0.69
Total		335,339,963	69.64

ANALYSIS OF WARRANT C HOLDINGS

as at 23 SEPTEMBER 2020

SEACERA GROUP BERHAD - WARRANT C (7073WC)

No. of Warrants	:	143,765,680
Exercise Price of Warrants	:	RM1.00
Exercise Period of Warrants	:	24 Jan 2018 to 21 Jan 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

1. DISTRIBUTION OF WARRANT HOLDINGS as at 23 September 2020

Size of Holdings	No. of Warrant holders	% of Warrant holders	No. of Warrants	% of issued Warrants
Less than 100 warrants	454	16.29	12,205	0.01
100 – 1,000 warrants	573	20.55	349,661	0.24
1,001 – 10,000 warrants	1,154	41.39	4,426,788	3.08
10,001 – 100,000 warrants	423	15.17	16,636,855	11.57
100,001 to less than 5% of issued warrants	183	6.56	102,840,171	71.53
5% and above of issued warrants	1	0.04	19,500,000	13.57
Total	2,788	100.00	143,765,680	100.00

CATEGORY OF HOLDERS	No. of Warrant holders	% Warrant holders	No. of Warrant/Unit	% of Warrant/Unit
INDIVIDUAL	2,231	80.02	93,034,606	64.71
A - BANKS/FINANCE COMPANIES	0	0.00	0	0.00
B - TRUSTS/FOUNDATION/CHARITY	0	0.00	0	0.00
C - PRIVATE/LIMITED COMPANY	15	0.54	1,674,134	1.17
D - PENSION FUNDS & CHARITY	0	0.00	0	0.00
E - OTHERS	0	0.00	0	0.00
GOV. AGENCIES/INSTITUTIONS	0	0.00	0	0.00
NOMINEES	542	19.44	49,056,940	34.12
Total	2,788	100.00	143,765,680	100.00

2. DIRECTORS' WARRANT HOLDINGS (as per register of directors' warrant holdings as at 23 September 2020)

No.	Name of Directors	No. of Warrants Held			
		Direct	%	Indirect	%
1.	Dato' Dr Azirul Salihin Bin Anuar	0	0.00	0	0.00
2.	Chua Yeong Lin	0	0.00	0	0.00
3.	Nicholas Wong Yew Khid	0	0.00	0	0.00
4.	Mah Soon Chai	0	0.00	0	0.00
		0	0.00	0	0.00

Analysis of Warrant C Holdings (continue)

as at 23 SEPTEMBER 2020

3. THIRTY LARGEST WARRANT HOLDERS (as per Record of Depositors as at 23 September 2020)

(Without Aggregating Securities from Different Securities Accounts Belonging to the same Registered Holders).

No.	Name	No. of Warrants	Percentage %
1.	TA NOMINEES (TEMPATAN) SDN BHD (268290H) PLEDGED SECURITIES ACCOUNT FOR ONG ENG TAIK	19,500,000	13.56
2.	NG WAI KIAN	5,002,300	3.48
3.	LIM HUAT	4,865,000	3.38
4.	ONG ENG TAIK	4,000,000	2.78
5.	YIP CHOONG RUN	3,744,400	2.60
6.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (297928D) PLEDGED SECURITIES ACCOUNT FOR YEONG CHOON HONG (MM0434)	2,900,000	2.02
7.	HARYATI BINTI MOHD SARKAWI	2,500,000	1.74
8.	ONG WEE SHYONG	2,500,000	1.74
9.	LIM KCAT GUAN	2,026,600	1.41
10.	FADHIL BIN AHMAD	2,000,000	1.39
11.	LAU HUI KING	2,000,000	1.39
12.	MAK HON LEONG	1,999,500	1.39
13.	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. (178048D) PLEDGED SECURITIES ACCOUNT FOR WONG PENG HO	1,806,200	1.26
14.	TONG TIN HENG	1,800,000	1.25
15.	LAU CHEAN TING	1,620,100	1.13
16.	NG SIAU FONG	1,500,000	1.04
17.	ONG SENG GUAN	1,500,000	1.04
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD (16778M) RAKUTEN TRADE SDN BHD FOR TAN PANG YOONG	1,300,000	0.90
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD (258939H) PLEDGED SECURITIES ACCOUNT FOR LEE CHUNG SING	1,201,700	0.84
20.	YEONG CHOON HONG	1,200,000	0.83
21.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (284597P) PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	1,112,700	0.77
22.	REBECCA LIM WANG LIN	1,080,000	0.75
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD (258939H) SHAH RIZAL BIN MOHD ZAWAWI	1,055,000	0.73
24.	LIZALINA CHEW SIN WEI	1,040,500	0.72
25.	KENANGA NOMINEES (TEMPATAN) SDN BHD (16778M) PLEDGED SECURITIES ACCOUNT FOR ANG POON HENG	1,000,000	0.70
26.	TONG TIN HENG	1,000,000	0.70
27.	CHAN WAH @ CHAM KAM WAH	990,000	0.69
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD (16778M) RAKUTEN TRADE SDN BHD FOR THEENA THAYALAN A/L K RAJALINGAM	950,000	0.66
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD (258939H) PLEDGED SECURITIES ACCOUNT FOR CHEW BEN BEN	835,080	0.58
30.	LIM TEE PHEOW	800,000	0.56
Total		74,829,080	52.03

NOTICE OF THIRTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company will be conducted on a fully virtual basis from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor on Wednesday, 2 December 2020 at 11.00 a.m. or at any adjournment thereof for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of up to an amount of RM497,000 for the period from the 35th AGM up to the 36th AGM.
3. To approve the payment of Directors' benefits up to an amount of RM132,000 for the period commencing from the 35th AGM up to the 36th AGM.
4. To re-elect the Mr Nicholas Wong Yew Khid, who retires pursuant to Article 67 of the Company's Articles of Association.
5. To re-appoint Messrs Al Jafree Salihin Kuzaimi as External Auditors of the Company for the ensuing year and authorize the Directors to fix their remuneration.

Please refer to
Explanatory Notes to
Ordinary Business

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions: -

6. Renewal authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016

Ordinary Resolution 5

"THAT subject to passing of Special Resolution 1 and subject to the Companies Act, 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Additional Temporary Relief Measures to Listed Corporations for Covid-19, issue by Bursa Securities on 16 April 2020 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities;

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company".

Notice of Thirty-Fifth Annual General Meeting (continue)

7. Proposed Adoption of New Constitution

"THAT approval be and is hereby given for the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the Appendix I to Shareholders accompanying the Company's Annual Report 2020 for the financial year ended 30 June 2020 be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

Special Resolution 1

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482)
VIMALRAJ A/L SHANMUGAM (MAICSA 7068140)
Company Secretaries

Kuala Lumpur
Date: 31 October 2020

NOTES:

1. Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend the 35th AGM in person at the Broadcast Venue on the day of the meeting.
2. A member of the Company entitled to attend and vote at this meeting may appoint up to two (2) proxies to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
3. Where a member appoints up to two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member 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.
5. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.
7. To be valid, the proxy form duly completed must be deposited at the Company's Share Registrar Office at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 November 2020 shall be entitled to attend, speak and vote at this 35th AGM.

Notice of Thirty-Fifth Annual General Meeting (continue)

Explanatory Notes to Ordinary Business:

- (a) Item 1 of the Agenda - Audited Financial Statements for the financial year ended 30 June 2020.

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

Explanatory Notes to Special Business:

- (a) The proposed Ordinary Resolution 5 is a renewal general mandate and if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 20% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. The previous mandate which was obtained at the last AGM held on 29 November 2019 was not utilised and therefore, no proceeds were raised.

The 20% General Mandate is pursuant to directive letter from Bursa Securities dated 16 April 2020 in relation to a temporary relief measures in view of the trying and challenging times due to the Covid-19 pandemic for listed issuer to seek a higher general mandate of not more than 20% of the total number of issued shares (excluding treasury shares) instead of 10%.

Having considered the current economic climate arising from the global Covid-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Act, from its shareholders at the forthcoming 35th AGM of the Company.

The Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by Covid-19 pandemic, this 20% General Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected to be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company.

The Directors, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries.

- (b) Special Resolution 1- Proposed Adoption of New Constitution

The Special Resolution, if passed, will align the Constitution of the Company with the Companies Act 2016 ("Act") which came into force on 31 January 2017, the updated provisions of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and the prevailing statutory and regulatory requirements as well as to provide clarity and consistency with the amendments that arise from the Act and MMLR. The proposed new Constitution is set out in the Appendix I accompanying the Annual Report to shareholders.

The special resolution needs a majority of not less than seventy-five percent (75%) of such members who are entitled to vote either in person or by proxy.

SEACERA GROUP BERHAD

[Registration No. 198701005080 (163751-H)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

FORM OF PROXY

I / We
(FULL NAME IN BLOCK LETTERS)

(NRIC No. / Passport No. / Company Registration No.)

of
(FULL ADDRESS)

(Contact No.: Email Address :)

being a member/members of SEACERA GROUP BERHAD, hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Contact No.:	Email Address:	

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Contact No.:	Email Address:	

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company will be conducted on a fully virtual basis from the Broadcast Venue at Level 4, Menara Lien Hoe, No.8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor on Wednesday, 2 December 2020 at 11.00 a.m. or at any adjournment thereof for the purpose of transacting the following businesses:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees of up to an amount of RM497,000 for the period from the 35th AGM up to the 36th AGM		
2.	<u>Ordinary Resolution 2</u> To approve the payment of Directors' benefits up to an amount of RM132,000 for the period commencing from the 35th AGM up to the 36th AGM		
3.	<u>Ordinary Resolution 3</u> To re-elect the Mr Nicholas Wong Yew Khid, who retires pursuant to Article 67 of the Company's Articles of Association		
4.	<u>Ordinary Resolution 4</u> To re-appoint Messrs Al Jafree Salihi Kuzaimi as External Auditors of the Company		
5.	<u>Ordinary Resolution 5</u> Renewal authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016		
6.	<u>Special Resolution 1</u> Proposed Adoption of New Constitution		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this day of 2020

.....
Signature(s) of member(s)

NOTES:

- Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting. Shareholders will not be allowed to attend the 35th AGM in person at the Broadcast Venue on the day of the meeting.
- A member of the Company entitled to attend and vote at this meeting may appoint up to two (2) proxies to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.
- Where a member appoints up to two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his/her holdings to be represented by each proxy.
- Where a member 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.
- Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney duly authorised.
- To be valid the proxy form duly completed must be deposited at the Company's Share Registrar Office at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 25 November 2020 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 35th AGM.

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affix

The Share Registrar
Seacera Group Berhad
[Registration No. 198701005080 (163751-H)]
Suite 10.02, Level 10, The Gardens South Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur

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SEACERA

GROUP BERHAD (163751)

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14km, Jalan Ipoh, 68100 Batu Caves,
Selangor Darul Ehsan.
Tel: 603 - 6136 2494
Fax: 603 - 6136 9308
Website: www.seacera.com.my

