



# DutaLand Berhad

Co. Registration No. 196701000326 (7296-V)

Annual Report 2020

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# Corporate Information

## BOARD OF DIRECTORS

**Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah**  
*Chairman*

**YBhg Tan Sri Dato' Yap Yong Seong**  
*Group Managing Director*

**Mr Yap Wee Chun**  
*Executive Director*

**YBhg Dato' Sri Yap Wee Keat**  
*Non-Independent Director*

**Mr Cheong Wong Sang**  
*Senior Independent Director*

**YBhg Dato' Hazli bin Ibrahim**  
*Independent Director*

**YBhg Dato' Abdul Majit bin Ahmad Khan**  
*Independent Director*

## COMPANY SECRETARIES

**Ms Kwan Wai Sin**  
MAICSA 7035227 (SSM PC No. 201908000481)

**Ms Lim Yoke Si**  
MAICSA 0825971 (SSM PC No. 202008000548)

## DOMICILE AND DATE OF INCORPORATION

Incorporated and domiciled in Malaysia

Co. registration no. : 196701000326 (7296-V)  
Date of incorporation : 26 July 1967

## STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad

Listing date : 11 January 1973  
Stock name : DUTALND  
Stock code : 3948

## REGISTERED OFFICE

Level 23, Menara Olympia  
No. 8, Jalan Raja Chulan  
50200 Kuala Lumpur

Tel : 603-2072 3993  
Fax : 603-2072 3996  
Email : [dutaland@dutaland.com.my](mailto:dutaland@dutaland.com.my)  
Website : [www.dutaland.com.my](http://www.dutaland.com.my)

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn Bhd**

197101000970 (11324-H)  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

Tel : 603-2783 9299  
Fax : 603-2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)  
Website : [www.tricorglobal.com](http://www.tricorglobal.com)

## AUDITORS

**Messrs Ernst & Young PLT**  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur

Tel : 603-7495 8000  
Fax : 603-2095 5332  
Website : [www.ey.com](http://www.ey.com)

## PRINCIPAL BANKERS

Malayan Banking Berhad  
CIMB Bank Berhad  
United Overseas Bank (Malaysia) Berhad  
Hong Leong Bank Berhad

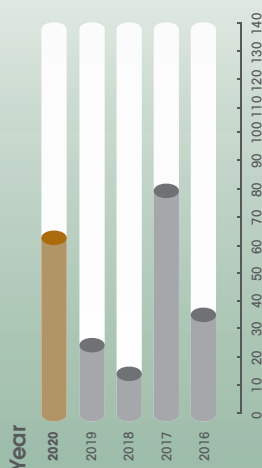
# 5-Year Financial Highlights

For the financial year ended 30 June	2020	2019	2018	2017	2016
<b>Statement of Comprehensive Income</b>					
Revenue (RM million)	65.6	26.5	16.3	81.9	37.8
Profit/(loss) before taxation (RM million)	(27.5)	11.7	393.1	21.4	0.07
Profit/(loss) attributable to owners of the parent (RM million)	(26.6)	11.4	379.9	12.9	(3.7)
<b>Statement of Financial Position</b>					
Shareholders' equity (RM million)	1,235.8	1,265.6	1,297.2	939.0	926.3
Total assets (RM million)	1,337.2	1,354.8	1,405.2	1,076.5	1,064.0
Total borrowings (RM million)	-	-	3.0	4.5	2.2
<b>Financial Ratios</b>					
Gross profit per share (sen)	1.24	1.38	46.6	2.53	0.01
Net profit/(loss) per share (sen)	(3.2)	1.34	45.6	1.52	(0.44)
Net tangible assets per share (RM)	1.50	1.50	1.59	1.18	1.16

## Revenue

(RM million)

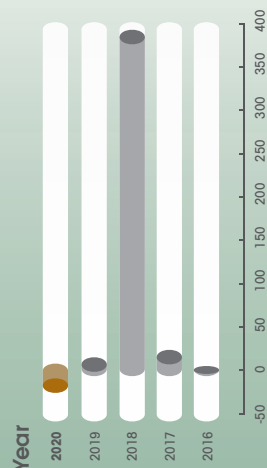
**65.6**



## Profit/(Loss) Before Taxation

(RM million)

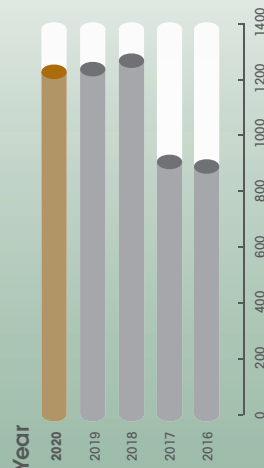
**(27.5)**



## Shareholders' Equity

(RM million)

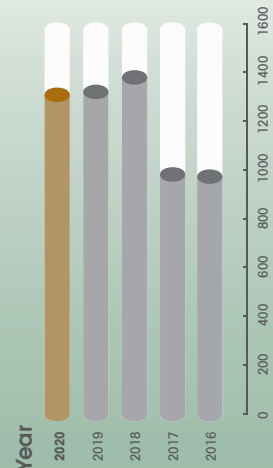
**1,235.8**



## Total Assets

(RM million)

**1,337.2**



# Chairman's Statement



*"On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of DutaLand Berhad and its Group of Companies for the financial year ended 30 June 2020."*

## FINANCIAL PERFORMANCE

The year 2020 has been a difficult year for global economies and businesses, as a result of the COVID-19 pandemic. Many countries have taken unprecedented steps to shut down their borders and restrict movements within its cities. Likewise, Malaysia implemented its Movement Control Order (MCO) in March 2020, suspending all non-essential services.

Against this challenging backdrop, the revenue of DutaLand Berhad Group ("Group") for FY2020 has increased by RM38.9 million as compared to the previous financial year ended 30 June 2019 ("FY2019"). The Group recorded a revenue of RM65.6 million for the financial year ended 30 June 2020 ("FY2020"), mainly contributed from the crude palm oil (CPO) trading division which accounted for RM50.3 million for FY2020 (FY2019: RM167,000) with the balance revenue of RM15.3 million from investment, property and construction management divisions.

The Group recorded a gross profit of RM10.4 million for FY2020 (FY2019: RM8.1 million). In addition, the Group has also earned other income of RM19.1 million (FY2019: RM13.9 million) from its investments, comprised of dividend income, coupon, interest income and forex gains.

The Group however has incurred expenses, diminution in value of assets and losses totaling RM56.4 million. After accounting for the above, the Group reported a loss before tax of RM27.5 million, compared to profit before tax of RM2.5 million for FY2019.

The Group's financial position remains strong. As at 30 June 2020, it has total assets of RM1.34 billion with cash and financial assets and derivatives financial assets of RM510.0 million. The remaining assets comprise of mainly of its properties in Kenny Heights development project at Hartamas / Mont Kiara, Kuala Lumpur, the Duta Grand Hotel mixed development project at the intersection of Jalan Sultan Ismail and Jalan Ampang, Kuala Lumpur, and the Oakland project in Seremban.

With equity of RM1,235.8 million, and share capital of 837,735,139 ordinary shares, the NTA per share is RM1.50/share. The Company has bought back 8,382,900 shares during FY2020 and these will be retained as treasury shares. The share buy-back exercise will enhance the equity structure of the Company.

# Chairman's Statement

(continued)

## PROSPECTS

The ongoing COVID-19 pandemic and its necessary measures to mitigate it remain a significant dampener on the near term outlook. However, with the Company's strong financial position, the Directors believe it can prudently capitalise on opportunities as they arise.

## DIVIDEND

The Board of Directors has proposed a first and final single-tier dividend of 1 sen per ordinary share for the financial year ended 30 June 2020, subject to shareholders' approval.

## CORPORATE GOVERNANCE & SUSTAINABILITY

The Group is committed to maintain high standard of corporate governance, compliance and ethical conduct, which are vital to its performance and business sustainability as well as long term value creation for all stakeholders. The full report is included within the Annual Report 2020.

## APPRECIATION

On behalf of the Board of Directors, I wish to thank all stakeholders of the Group, shareholders, staff, and business associates for their unwavering support, especially under the current condition.

**Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum  
Sultan Salahuddin Abdul Aziz Shah**  
Chairman

6 October 2020

# Management Discussion & Analysis

## OVERVIEW

DutaLand Berhad is an investment holding company and its subsidiaries are involved in various types of businesses, such as property development, oil palm, commodity trading and investments.

## COVID-19 INITIATIVES

The unprecedented global COVID-19 pandemic has caused much disruption to our daily lives and businesses in general. Since the outbreak, the Group has implemented safety precautionary measures such as segregating departmental personnel over multiple locales, provision of hand sanitiser/face masks, body temperature check and educating best hygiene practices. The management will continue to actively monitor, implement protocols and adhere to government guidelines to mitigate the transmission of this virus.

## FINANCIAL RESULTS AND FINANCIAL CONDITION

Revenue for the Group for the financial year ended 30 June 2020 ("FY2020") was RM65.6 million, of which the crude palm oil ("CPO") trading division contributed RM50.3 million with the balance of RM15.3 million from investments, property development and construction management divisions. The contribution from the property division reduced significantly as Phase 4F of the Oakland project was completed in FY2020. The launch of Phase 4G has been put on hold due to the current weak market sentiment.

The operating loss (EBITDA) for FY2020 was RM24.9 million as compared to an operating profit of RM13.5 million for the financial year ended 30 June 2019. The losses for FY2020 was mainly due to losses incurred on short term investments, fair value adjustment for investment properties, business development expenses and operating cost.

The Group's financial position remains strong. As at 30 June 2020, the Group has total assets of RM1.34 billion, with no borrowings and cash and short term investments of RM510 million. The Group's equity was at RM1.24 billion which translates to net tangible assets of RM1.50 per share.

## OPERATIONS OVERVIEW

### PROPERTY DEVELOPMENT

A substantial part of the Group's portfolio of assets comprises of Kenny Heights development project, Duta Grand Hotel ("DGH") mixed development project and Oakland project. With the continued challenging market conditions in Malaysia and the onset of the COVID-19 pandemic, management's plans to kick-start new developments have been placed on a temporary pause. However, we take this opportunity to proactively review our research and planning for the most creative, market-relevant concepts to introduce within each site. Consequently, for FY2020 the property development division registered minimal revenue from Phase 4F shop-office.

#### Oakland project

The construction of Oakland Lake Side Boulevard project in Seremban, comprising 182 units of shop-offices, with a gross development value (GDV) of approximately RM107 million was completed during the financial year.

Sales and rental of these completed units are progressing amidst a weak market that has been exacerbated further by the COVID-19 pandemic. Banks continue to impose tighter conditions and lower margin of financing, which have further dampened sales. However, in light of these tougher sales conditions the management is cautiously optimistic on the leasing of these completed units.

#### Kenny Heights development project

The Kenny Heights development project, located in the Hartamas/ Mont Kiara vicinity, is a joint venture project ("JV") between KH Estates Sdn Bhd (a 100% owned subsidiary of the Company) and Olympia Properties Sdn Bhd. The JV is based on a sharing ratio of 58% and 42% respectively. The partnership consists of 73.44 acres and its maiden phase of 3.69 acres comprising 49 units of town villas designed by internationally renowned architects was completed in 2011.

The management has been actively planning and exploring partnerships with third parties for the development of a commercial phase, with an initial land area of approximately 8.17 acres.

# Management Discussion & Analysis

(continued)

## DGH mixed development project

The DGH mixed development project is an integrated project with land area of 122,000 sq. ft. and an approved gross floor area of 1.6 million sq. ft. The development comprises of retail, hotel, office, hotel residence and serviced apartments. The planning work of the project to enhance the value of the development is in progress and the management is looking at various ways to re-commence the project, with a lower risk exposure, such as a joint venture or a forward sale of certain components of the project.

## CRUDE PALM OIL TRADING

The CPO trading business for the Group commenced in May 2019. Much progress has been achieved for the past one year.

Revenue of the division for FY2020 was RM50.3 million. Sales volume was at 21,707 MT, with average selling price of RM2,319 / MT. After accounting for cost of sales of RM49.0 million, the profit of the division for FY2020 was at RM1.3 million, which is a good start for the division.

## INVESTMENTS

Part of the Group's surplus funds is invested in an investment portfolio, for yield enhancement over the prevailing low cash rate, and diversification to other segments of global economies. The portfolio consists mainly of short-term money market instruments for income generation.

In FY2020, the investment portfolio recorded RM21.4 million in revenue and other income, which is mainly contributed by dividends from money market funds of about RM13.9 million. In line with the market correction as a result of the COVID-19 pandemic, the investment portfolio reported a loss of RM12.2 million, as well as adjustments in fair value of about RM16.4 million.

## RISK FACTORS

The Group is predominantly conservative in its strategies within each business segment and hence its search to diversify into new businesses and/or assets. However, the management is mindful of the risks in investing into any new business. The Board will endeavour to utilise the proceeds derived from the disposal of plantation assets in the best interests of the Group and invest in revenue generating businesses.

# Profile of Directors

## **Y.A.M. TENGKU DATUK SERI AHMAD SHAH IBNI ALMARHUM SULTAN SALAHUDDIN ABDUL AZIZ SHAH** CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 65, Male, Malaysian

Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah was appointed to the Board on 25 February 2009 as an Independent Non-Executive Director and subsequently redesignated as the Chairman of DutaLand Berhad on 23 November 2010.

Tengku Datuk Seri Ahmad Shah completed his Diploma in Business Administration from Universiti Teknologi MARA in 1974. He started his career in Charles Bradburne (1930) Sdn Bhd as a broker from 1974 to 1981. He was a Director of TTDI Development Sdn Bhd from 1978 to 2000, a Director of Sime UEP Berhad from 1983 to 1987, the Chairman of Sime Darby Medical Centre Subang Jaya Sdn Bhd from 1987 to 2013 and a director of Sime Darby Healthcare Sdn Bhd from 2010 to 2013.

Presently, Tengku Datuk Seri Ahmad Shah is a Director of Sime Darby Property Berhad, Global Oriental Berhad, Mycron Steel Berhad and they are all listed on Bursa Malaysia Securities Berhad. Tengku is involved in various welfare organisations and is a member of the Board of Trustees of the Cancer Research Malaysia (formerly, Cancer Research Initiatives Foundation, CARIF).

Tengku Datuk Seri Ahmad Shah has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad. Tengku Datuk Seri has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Tengku Datuk Seri Ahmad Shah attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

## **YBHG TAN SRI DATO' YAP YONG SEONG** GROUP MANAGING DIRECTOR, NON-INDEPENDENT DIRECTOR

Aged 78, Male, Malaysian

Tan Sri Dato' Yap Yong Seong was appointed to the Board of DutaLand Berhad on 16 February 1993.

Tan Sri Dato' Yap first ventured into the property business under the Duta Group in the early 1970s, was a pioneer in embarking on a reclamation project at the fore shore lands in Melaka which now stood the new business centre known as Melaka Raya.

Tan Sri Dato' Yap also sits on the Boards of Olympia Industries Berhad as the Group Managing Director and several companies within DutaLand Berhad Group and Olympia Industries Berhad Group. He is the father of Dato' Sri Yap Wee Keat and Mr Yap Wee Chun. Tan Sri Dato' Yap and his spouse, Puan Sri Datin Leong Li Nar, are major shareholders of DutaLand Berhad.

Except for certain recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of DutaLand Berhad Group, for which Tan Sri Dato' Yap is deemed to be interested, there are no other business arrangements with DutaLand Berhad Group in which he has personal interests. Tan Sri Dato' Yap has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Tan Sri Dato' Yap attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

# Profile of Directors

(continued)

## **MR YAP WEE CHUN**

### **NON-INDEPENDENT EXECUTIVE DIRECTOR**

Aged 50, Male, Malaysian

Mr Yap Wee Chun was appointed to the Board of DutaLand Berhad on 5 September 1996. He graduated with a Bachelor of Arts, major in Business Administration and Economics, from Richmond University of London in 1990. He began his career as an officer with D&C Sakura Merchant Bankers Berhad (now known as RHB Investment Bank Berhad) in 1994.

Mr Yap sits on the Boards of several companies within the DutaLand Berhad Group and a subsidiary in Olympia Industries Berhad Group. Mr Yap is the son of Tan Sri Dato' Yap Yong Seong, the Group Managing Director of DutaLand Berhad, and Puan Sri Datin Leong Li Nar, both are major shareholders of DutaLand Berhad. He is also a brother to Dato' Sri Yap Wee Keat.

Except for certain recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of DutaLand Berhad and its subsidiaries for which Mr Yap is deemed to be interested, there are no other business arrangements with DutaLand Berhad Group in which he has personal interests. Mr Yap has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Mr Yap attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

## **YBHG DATO' SRI YAP WEE KEAT**

### **NON-INDEPENDENT NON-EXECUTIVE DIRECTOR**

Aged 52, Male, Malaysian

Dato' Sri Yap Wee Keat was appointed to the Board on 25 March 1992 and was instrumental in the property development activities of DutaLand Berhad Group. He is also currently an Executive Director of Olympia Industries Berhad and has been responsible for the business operations of Olympia Industries Berhad Group. He spearheads the Kenny Heights Project, a development project embarked by DutaLand Berhad through the consortium formed with Olympia Industries Berhad.

Dato' Sri Yap obtained his LLB (Honours) degree from The London School of Economics and Political Science, United Kingdom in 1989. With the DutaLand Berhad Group's investment in Automobili Lamborghini, he was appointed the deputy Chairman of Automobili Lamborghini from 1994 to 1998. He is also one of the founding trustees for the Force of Nature Aid Foundation, a Malaysian Tsunami Aid Foundation, which was established in 2005, where he sat on the Board of Trustees.

Dato' Sri Yap was appointed the Deputy President of Taekwondo Malaysia (WTF) in December 2018. He also serves on the Boards of several other private companies within DutaLand Berhad Group and Olympia Industries Berhad Group.

Dato' Sri Yap is the eldest son of Tan Sri Dato' Yap Yong Seong, the Group Managing Director of DutaLand Berhad, and Puan Sri Datin Leong Li Nar, both are major shareholders of DutaLand Berhad. He is also a brother to Mr Yap Wee Chun.

Except for certain recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of DutaLand Berhad and its subsidiaries for which Dato' Sri Yap is deemed to be interested, there are no other business arrangements with DutaLand Berhad Group in which he has personal interests. Dato' Sri Yap has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Dato' Sri Yap attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

# Profile of Directors

(continued)

## **MR CHEONG WONG SANG**

### **SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR**

Aged 63, Male, Malaysian

Mr Cheong Wong Sang was appointed to the Board of DutaLand Berhad on 28 December 2001 and as a member of the Audit Committee, Nomination Committee and Remuneration Committee of DutaLand Berhad. On 28 January 2015, he was redesignated as Senior Independent Director and the Chairman of the Nomination Committee.

Mr Cheong is a Certified Public Accountant (CPA) and a Certified Management Accountant (CMA) by profession. He has varied and extensive hands-on specialised business experiences, both in Malaysia and overseas. He started his early articleship training with an international accounting firm and simultaneously graduated as a Chartered Management Accountant. He specialises in turn-around situations, portfolio management, divestment exercise, mergers & acquisitions and high level negotiations involving privatisation of national projects. Prior to that, he worked and participated in senior executive positions including as director and adviser to the Board of various business entrepreneurial organisations including public listed entities in the Asia-Pacific region. Mr Cheong is currently also an Independent Non-Executive Director of Scomi Group Berhad, a public company listed on Bursa Malaysia Securities Berhad.

Mr Cheong has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad. Mr Cheong has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Mr Cheong attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

## **YBHG DATO' HAZLI BIN IBRAHIM**

### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Aged 57, Male, Malaysian

Dato' Hazli bin Ibrahim was appointed to the Board of DutaLand Berhad on 2 January 2008 and as a member of the Audit Committee and the Nomination Committee of DutaLand Berhad. On 28 January 2015, he was redesignated as the Chairman of the Audit Committee and appointed as a member of the Remuneration Committee.

Dato' Hazli graduated with a Bachelor of Finance with Accounting from the University of East London in 1986 and is a fellow member of the Association of Chartered Certified Accountants (ACCA). He obtained his Master of Business Administration (MBA) from Cass Business School in London in 1993.

Dato' Hazli started his career with several chartered accountants firms in London. Upon his return to Malaysia in August 1994, he joined Aseambankers Malaysia Berhad, the investment banking arm of Maybank Berhad as Manager in the Corporate Finance Division. Subsequently in November 1996, he moved to Amanah Merchant Bank Berhad (now known as Alliance Investment Bank Berhad) as Assistant General Manager. He left Amanah Group in September 1998 to join Pengurusan Danaharta Nasional Berhad ("Danaharta"), a national asset management company of Malaysia, as the Head of Corporate Planning, Corporate Services Division.

Dato' Hazli left Danaharta in October 2002 to set up Haziq Capital Sdn Bhd, a consultancy firm specializing in corporate finance, where he is currently the Managing Director. His key areas of expertise include taking companies for listing on Bursa Malaysia Securities Berhad, corporate and debt restructuring and fund raising exercises. He is currently an Independent Non-Executive Director of Mentiga Corporation Berhad and Lebttech Berhad, both are listed on Bursa Malaysia Securities Berhad. He is also a Director of several private companies.

Dato' Hazli has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad. Dato' Hazli has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Dato' Hazli attended all five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

# Profile of Directors

(continued)

## **YBHG DATO' ABDUL MAJIT BIN AHMAD KHAN**

### **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Aged 74, Male, Malaysian

Dato' Abdul Majit bin Ahmad Khan was appointed to the Board of DutaLand Berhad on 28 January 2015 and as a member of the Audit Committee and the Nomination Committee of DutaLand Berhad. He was appointed the Chairman of the Remuneration Committee on 29 November 2017.

Dato' Abdul Majit holds a Bachelor of Economics (Honours) from University of Malaya. He served with the government for thirty-four years and held various positions in the Prime Minister's Department and the Ministry of Foreign Affairs of Malaysia. These positions provided him with wide exposures in various countries that he served at, such as Laos, Vietnam, United States of America (USA), Nigeria, Ghana, Côte d'Ivoire, Sierra Leone, Cameroon, the Democratic People's Republic of Korea and the People's Republic of China.

In his capacity as the Under Secretary of West Asia and Organisation of Islamic Cooperation ("OIC"), Dato' Abdul Majit participated in several Prime Ministerial and Ministerial visits to West Asian Countries and OIC Meetings. He was the Director General of the Association of Southeast Asian Nations ("ASEAN") Division of the Ministry of Foreign Affairs from 1996 until 1998. As Director General of the ASEAN Division, he actively participated in the organisation of the 30th ASEAN Ministerial Meeting held in Kuala Lumpur as well as the ASEAN Heads of Summit and the 10+3 Summit Meetings in Malaysia.

In 1998, Dato' Abdul Majit was appointed as Ambassador of Malaysia to the People's Republic of China, a post he held for seven years until his retirement on 2 January 2005. Dato' Abdul Majit is the President of the Malaysia-China Friendship Association since 2005 and an Honorary President of the Malaysia-China Chamber of Commerce. He was appointed as the new Chairman of the Malaysian Investment Development Authority (MIDA) in April 2019.

Presently, Dato' Abdul Majit is a Director of Zecon Berhad and MGB Berhad, and the Non-Executive Chairman of Ikhmas Jaya Group Berhad, all of which are listed on Bursa Malaysia Securities Berhad. He is also a Director of Hong Leong Asset Management Berhad.

Dato' Abdul Majit has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad. Dato' Abdul Majit has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

Dato' Abdul Majit attended four out of five Board Meetings of DutaLand Berhad held during the financial year ended 30 June 2020.

# Profile of Key Senior Management of the Group

## **YBHG TAN SRI DATO' YAP YONG SEONG**

**GROUP MANAGING DIRECTOR, NON-INDEPENDENT DIRECTOR**

Aged 78, Male, Malaysian

Please refer to the Profile of Directors as included in this Annual Report.

## **MR YAP WEE CHUN**

**NON-INDEPENDENT EXECUTIVE DIRECTOR**

Aged 50, Male, Malaysian

Please refer to the Profile of Directors as included in this Annual Report.

## **MR WONG CHIANG YING**

**GENERAL MANAGER, GROUP FINANCE**

Aged 56, Male, Malaysian

Mr Wong Chiang Ying was appointed as the General Manager, Group Finance of DutaLand Berhad on 1 January 2007. Mr Wong holds a Bachelor Degree in Accounting and is also qualified as a Certified Public Accountant (CPA). He is a Chartered Accountant registered with the Malaysian Institute of Accountants (MIA). He began his career as an auditor with PriceWaterhouse in 1989. He has subsequently worked as internal audit manager, and as accountant in other public listed companies prior to the appointment of the current position.

Mr Wong does not hold directorship in any public companies, has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad.

He has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

## **MR CHO KAH HING**

**GENERAL MANAGER, SALES & MARKETING**

Aged 55, Male, Malaysian

Mr Cho Kah Hing was appointed as the General Manager of the Project and Sales & Marketing Division of DutaLand Group since January 2011. Mr Cho graduated from Southern Illinois University, USA with a Bachelor of Science Degree in Finance in 1989. Prior to joining DutaLand Group, he was attached to MBF Property Services Sdn Bhd for two years in the Marketing Department. In June 1992, he joined Olympia Land Berhad (subsidiary of DutaLand Berhad) as Senior Executive in the Sales & Marketing Department and was later promoted to Assistant Manager in 1995 and Manager to head the Sales & Marketing Department in 1996. Thereon he was promoted to Senior Manager in 1997. In 2007, Mr Cho Kah Hing was promoted to the position of Assistant General Manager, heading the Sales & Marketing team. He was later promoted in January 2011 to the position of General Manager to head the Project and the Sales & Marketing Divisions. In this capacity, he has overseen the Project and Sales & Marketing activities of the Group and has, over the years, supported various corporate initiatives and projects.

Mr Cho does not hold directorship in any public companies, has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad.

He has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

# Profile of Key Senior Management of the Group (continued)

## **MR NG JU SIONG**

### **GENERAL MANAGER, GROUP LEGAL**

Aged 53, Male, Malaysian

Mr Ng Ju Siong, was appointed as the General Manager, Group Legal of DutaLand Berhad on 1 January 2013.

Mr Ng graduated from University of Kent at Canterbury, United Kingdom, with Bachelor of Law (Honours) in 1990. He was admitted to the Honourable Society of Gray's Inn as Utter Barrister in 1992. Thereafter, he was admitted to the High Court of Malaya as an Advocate & Solicitor in 1993. Mr Ng was practising under Messrs Zaitoon Othman & Associates in the areas of family law, banking litigation, bankruptcy, company law until June 1994. In July 1994, he joined Messrs Shahrizat & Tan and venture into the areas of family law, general conveyancing, banking, drafting of government supplies agreement etc. Mr Ng was a legal executive of DutaLand Berhad and is currently the General Manager, Group Legal, overseeing legal matters for DutaLand Berhad Group.

Mr Ng is currently a Director of Olympia Industries Berhad, listed on Bursa Malaysia Securities Berhad. He also sits on the Boards of several companies within the DutaLand Berhad Group and Olympia Industries Berhad Group.

He has no family relationship with any Director and/or major shareholder of DutaLand Berhad and has no conflict of interest with DutaLand Berhad. He has no conviction for any offences, other than traffic offences (if any), within the past five years and he was not imposed with any public sanction or penalty by relevant regulatory bodies during the financial year under review.

# Sustainability Statement

## ABOUT THIS SUSTAINABILITY STATEMENT

Contributing to sustainable development has become a core element of the corporate strategy of DutaLand Berhad (“DutaLand”). The Group hopes to generate long-term returns while positively affecting society and the environment by closely integrating sustainability into the business strategy and operations.

This Sustainability Statement covers the Group’s economic, environmental and social performance in the financial year ended 30 June 2020 (“FY2020”) and the significant events of the financial year. DutaLand upholds a high standard of transparency, accountability and integrity in disclosures to the investing public in accordance with the corporate disclosure requirements set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Corporate Disclosure Policy of the Group.

Reporting period	This Sustainability Statement discloses the annual sustainability journey of DutaLand from 1 July 2019 to 30 June 2020, corresponding with FY2020.
Reporting cycle	Annual
Reporting boundaries	This Sustainability Statement covers DutaLand’s major business segments of Property Development, Investment Holding, Crude Palm Oil (“CPO”) Trading and Plantation.
Reporting content	The contents of this Sustainability Statement are based on the results of stakeholder engagement and the requirements of the Global Reporting Initiative (“GRI”) Standards.
References and guidelines	<b>Principal Guideline</b> <ul style="list-style-type: none"><li>• GRI Standards (Core Option)</li></ul> <b>Additional Guidelines</b> <ul style="list-style-type: none"><li>• Bursa Securities’ Sustainability Reporting Guide</li><li>• International Organisation for Standardisation (“ISO”) 26000:2010 Guidance on Social Responsibility</li><li>• United Nations Sustainable Development Goals</li></ul>
Significant changes during the reporting period	There were no significant changes to DutaLand Group’s size, structure, leadership, ownership or supply chain during the reporting period.
Date of previous report	DutaLand’s previous Sustainability Statement was released in September 2019, for the period of 1 July 2018 to 30 June 2019 (FY2019). This publication is included in the Annual Report 2019 and available on the corporate website at <a href="http://www.dutaland.com.my">www.dutaland.com.my</a> .
Assurance	The statement has been reviewed by the DutaLand Sustainability working team which includes the Executive Directors and the key senior management of the Company. The statement was approved by the Board on 30 September 2020.
Feedback and enquiries	For further enquiries, please contact: <a href="mailto:dutaland@dutaland.com.my">dutaland@dutaland.com.my</a>

## SUSTAINABILITY AT DUTALAND

Sustainability encompasses the manner in which DutaLand conducts its current and future business. We aim to achieve commercial success while honouring our ethical values and treating people and communities with kindness, care and respect.

Our sustainability approach is aligned with our strategy to create long-term value for all key stakeholders.

# Sustainability Statement

(continued)

## Sustainability Pillars Guiding DutaLand

### Supporting Local Economy

- Identify opportunities to enhance shareholder value
- Promote sustainable economic growth

### Serving Our Community

- Invest to support local communities and programmes to alleviate socio-economic aspects

### Investing in Our People

- Enhance the wellbeing of all employees
- Create a safe and positive workspace

### Protecting Our Environment

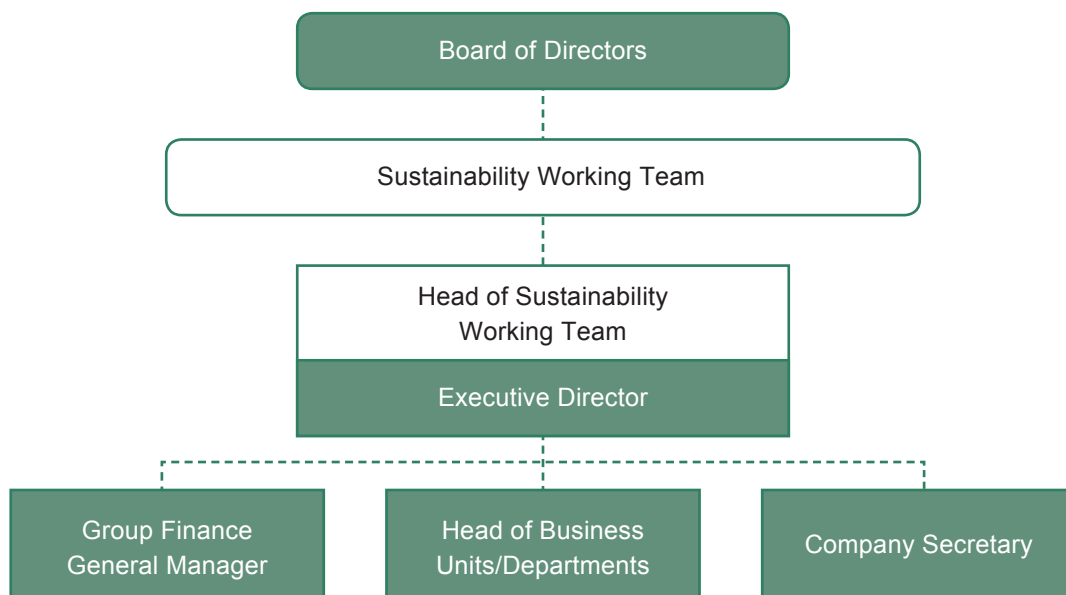
- Minimise our environmental footprint

## SUSTAINABILITY GOVERNANCE

We have established a management Sustainability working team to oversee our sustainability approach and help monitor the sustainability objectives. Our sustainability governance model provides a solid foundation for developing and anchoring sustainability strategy and targets. It ensures that we focus on embedding sustainability into the business by implementing decisions in the relevant business areas. All businesses have unique roles in supporting these endeavours.

Each business area and function are represented in the Sustainability working team. The Team's role is to assist the Board and executive management in formulating the strategy, policy and actions required to achieve the Group's aspirations as a sustainable organisation. The Team focuses on key sustainability pillars and progress made in defining measurable metrics and goals for each pillar.

### Sustainability Governance Structure



# Sustainability Statement

(continued)

## Roles and Responsibilities

Board of Directors	<ul style="list-style-type: none"><li>• Raises awareness of sustainability challenges and provides strong stewardship to integrate sustainability strategies and initiatives into the Group's business strategy and operations</li><li>• Sets the strategic direction of the Group and ensures that sustainability is embedded effectively across the Group with adequate resources</li><li>• Commits to addressing EES matters and managing their impacts</li><li>• Issues the final approval of the Sustainability Statement</li></ul>
Head of Working Team	<ul style="list-style-type: none"><li>• Endorses the material sustainability matters identified by working team members</li><li>• Develops and proposes sustainability strategies</li><li>• Reviews progress of sustainability strategies and initiatives conducted by working team members</li><li>• Reports sustainability progress to the Board of Directors</li></ul>
Working Team	<ul style="list-style-type: none"><li>• Identifies material sustainability matters relevant to the Group</li><li>• Implements sustainability strategies and initiatives</li><li>• Reports sustainability progress to the Head of the working team</li></ul>

The Board of Directors and Sustainability working team support efforts to implement the sustainability strategy through our corporate sustainability programme.

## STAKEHOLDER ENGAGEMENT

We have increased our understanding of stakeholders' views and priorities by engaging with regulatory bodies, investors, employees, suppliers, tenants, communities and other business partners throughout the lifecycle of our activities.

The management identifies and understands the stakeholder groups that may affect or be affected by a decision, activity or outcome of our business operations or processes. We work closely with them to gather knowledge, plan and implement design solutions, technologies and programmes that drive key performance indicator improvement.

We regularly participate in public engagement during the development process to seek community input and apply standards to manage our supply chain.

# Sustainability Statement

(continued)

	Who are they?	Methods of engagement	Needs and expectations	How we measure success
<b>Employees</b>	<ul style="list-style-type: none"> <li>71 employees of DutaLand (57% male and 43% female)</li> </ul>	<ul style="list-style-type: none"> <li>Internal memos (monthly)</li> <li>Performance appraisals (annually)</li> <li>Training and product knowledge (as and when required)</li> </ul>	<ul style="list-style-type: none"> <li>An ethical workplace with opportunities to contribute to society that promote environmental and social sustainability</li> <li>A diverse and inclusive workplace that treats all employees equally</li> <li>Job security, strong leadership, fair pay and promising career opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement</li> <li>A diverse and inclusive workforce</li> <li>Ability to attract, develop and retain talent</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>14,515 (as at 15 September 2020) local and international shareholders including asset managers, pension funds and corporate holdings</li> <li>Investment analysts and potential investors</li> <li>Credit rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Annual reports</li> <li>Announcements and disclosure (timely or as and when required)</li> </ul>	<ul style="list-style-type: none"> <li>Sustained financial returns</li> <li>Sound risk management</li> <li>Compliance with regulations</li> <li>Timely disclosure</li> <li>Improved efficiencies while managing strategic investments</li> </ul>	<ul style="list-style-type: none"> <li>Return on equity</li> <li>Revenue growth</li> <li>Compliance checklists for major corporate disclosure or publication of documents</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Individuals, businesses, public sector and various other legal entities such as financial institutions, trusts, non-governmental entities and associations</li> </ul>	<ul style="list-style-type: none"> <li>Client meetings (weekly)</li> <li>Feedback sessions (as and when required)</li> <li>Networking events (as and when required)</li> </ul>	<ul style="list-style-type: none"> <li>Cost-effective, convenient and innovative financial services</li> <li>Trustworthy relationships, safety and protection against fraud</li> <li>Transparent pricing with excellent customer service</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction</li> </ul>

# Sustainability Statement

(continued)

	Who are they?	Methods of engagement	Needs and expectations	How we measure success
<b>Regulatory bodies</b>	<ul style="list-style-type: none"> <li>All relevant government departments including labour, health, trade and industry</li> </ul>	<ul style="list-style-type: none"> <li>Inspections by local authorities (ad-hoc)</li> <li>Meetings with managers and local regulators (ad-hoc)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with all relevant laws and regulations</li> <li>Financial system stability</li> <li>An ethical work environment</li> <li>A business responsive to regulatory change</li> <li>Contribution to government development plans and national priorities</li> </ul>	<ul style="list-style-type: none"> <li>Effective compliance with regulatory change</li> <li>Strong capital levels</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Direct and indirect supply chain partners</li> </ul>	<ul style="list-style-type: none"> <li>Annual evaluation and performance reviews</li> <li>Fair contract negotiation (ad-hoc)</li> <li>Vendor registration upon awarding jobs</li> </ul>	<ul style="list-style-type: none"> <li>Streamlined and fair procurement</li> <li>A transparent sourcing and tendering process</li> </ul>	<ul style="list-style-type: none"> <li>Supplier assessment form</li> <li>Supplier engagement</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Individual citizens</li> <li>Residents, tenants and the surrounding neighbourhood</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement (quarterly)</li> <li>CSR activities (quarterly)</li> <li>Festive celebration (seasonal)</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to solutions that address societal challenges as outlined in the United Nations Sustainable Development Goals (“UNSDGs”) and other global environmental, social and governance frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Community investment</li> <li>Area development</li> </ul>

## MATERIALITY: THE BASIS FOR OUR SUSTAINABILITY FRAMEWORK

Materiality is at the centre of sustainability reporting. However, information can be seen from different perspectives and materiality definitions vary.

Material issues are simply those that are relevant and important. Materiality assessments are pivotal in sustainability as they demonstrate that economic, environmental and social issues have been analysed in order to prioritise sources of risk and opportunity for the business and stakeholders.

# Sustainability Statement

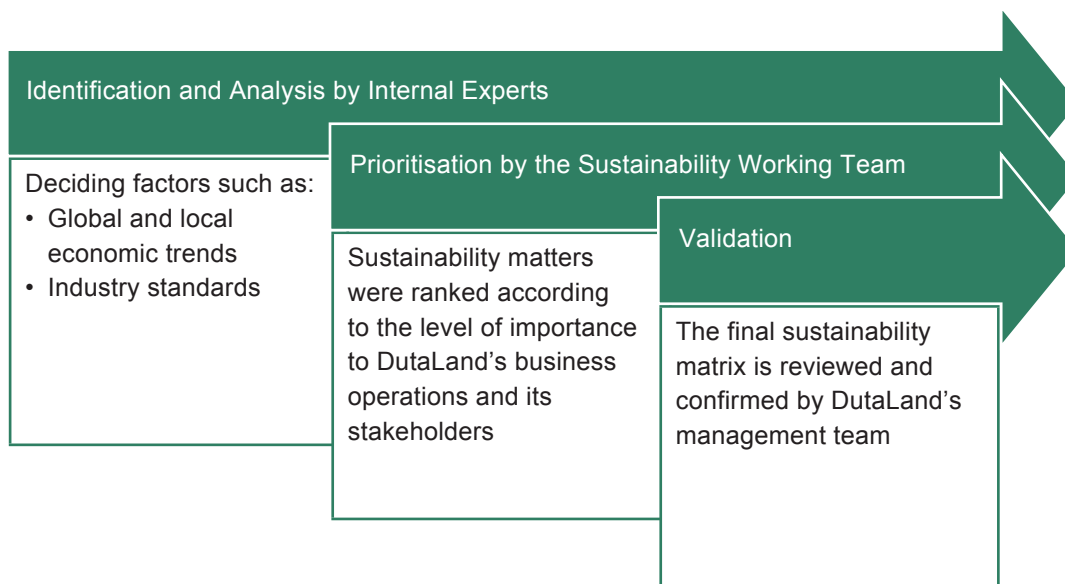
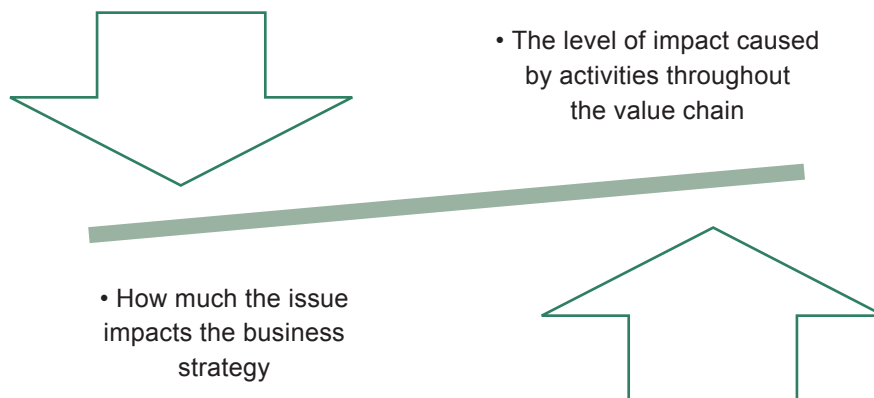
(continued)

DutaLand continuously monitors its material issues to ensure that it is addressing the most important topics to the business and stakeholders. The results of the FY2020 materiality assessment have been used to establish and confirm sustainability-related performance indicators for the organisation, prioritise resources and determine the contents of this report.

## Our Materiality Process

We maintain an up-to-date understanding of our material topics through engagement and dialogue with key stakeholders while monitoring our business context and the relevant drivers.

### Determining the Relevance of an Issue



# Sustainability Statement













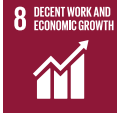




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## Topics Shortlisted for the Materiality Study

Material Topic	Definition	GRI Indicator	Stakeholder Group	SDGs
<b>Economic</b>				
<b>Economic performance</b>	Distributing economic value among different stakeholders	<ul style="list-style-type: none"> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Investors</li> <li>Employees</li> <li>Suppliers</li> <li>Customers</li> <li>Local communities</li> </ul>	  
<b>Regulatory compliance</b>	Adhering to all economic, environmental and social legislation	<ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Anti-competitive behaviour</li> <li>Environmental compliance</li> <li>Socio-economic compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory bodies</li> </ul>	
<b>Responsible supply chain</b>	Supporting local suppliers and promoting good socio-environmental performance throughout the supply chain	<ul style="list-style-type: none"> <li>Procurement practices</li> <li>Supplier environmental assessment</li> <li>Supplier social assessment</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers</li> </ul>	  
<b>Nation-building</b>	Developing housing, local infrastructure and palm oil industries and their impact on local communities	<ul style="list-style-type: none"> <li>Indirect economic impacts</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> <li>Employees</li> <li>Suppliers</li> </ul>	     
<b>Local hiring</b>	Developing the local economy in all communities in which we operate	<ul style="list-style-type: none"> <li>Market presence</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> <li>Employees</li> </ul>	  



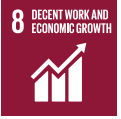





# Sustainability Statement

(continued)

Material Topic	Definition	GRI Indicator	Stakeholder Group	SDGs
<b>Environment</b>				
<b>Energy &amp; emissions</b>	Managing and reducing greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Suppliers</li> </ul>	    
<b>Water, effluents &amp; waste</b>	Managing effluent discharges, water consumption and all types of waste	<ul style="list-style-type: none"> <li>• Effluents and waste</li> <li>• Water</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Suppliers</li> </ul>	   
<b>Social</b>				
<b>Career development</b>	Hiring, recruitment, retention and training including performance and career development reviews	<ul style="list-style-type: none"> <li>• Training and education</li> <li>• Employment</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> </ul>	    
<b>Diversity, equal opportunity &amp; non-discrimination</b>	Promoting diversity and equal opportunities while eliminating discrimination in the workplace	<ul style="list-style-type: none"> <li>• Non-discrimination</li> <li>• Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Regulatory bodies</li> </ul>	  

# Sustainability Statement

(continued)

Material Topic	Definition	GRI Indicator	Stakeholder Group	SDGs
<b>Social (continued)</b>				
<b>Local communities</b>	Supporting local communities surrounding operations that are economically, socially or environmentally affected	<ul style="list-style-type: none"> <li>Local communities</li> </ul>	<ul style="list-style-type: none"> <li>Local communities</li> </ul>	
<b>Human rights</b>	Protecting human rights of workers including those of the indigenous population, security staff, plantations, construction and children while eliminating all aspects of forced labour	<ul style="list-style-type: none"> <li>Human rights assessment</li> <li>Rights of indigenous peoples</li> <li>Security practices</li> <li>Child labour</li> <li>Forced labour</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory bodies</li> <li>Employees</li> <li>Local communities</li> </ul>	  
<b>Responsible operations</b>	Protecting the safety, health, wellbeing of customers and members of the public	<ul style="list-style-type: none"> <li>Customer health and safety</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> <li>Regulatory bodies</li> </ul>	  
<b>Quality &amp; customer satisfaction</b>	Promoting quality throughout the life cycles of all products to gain high levels of customer satisfaction	<ul style="list-style-type: none"> <li>Non GRI topic</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> </ul>	
<b>Customer privacy</b>	Protecting the privacy of our customers and members of the public	<ul style="list-style-type: none"> <li>Customer privacy</li> </ul>	<ul style="list-style-type: none"> <li>Customers</li> </ul>	

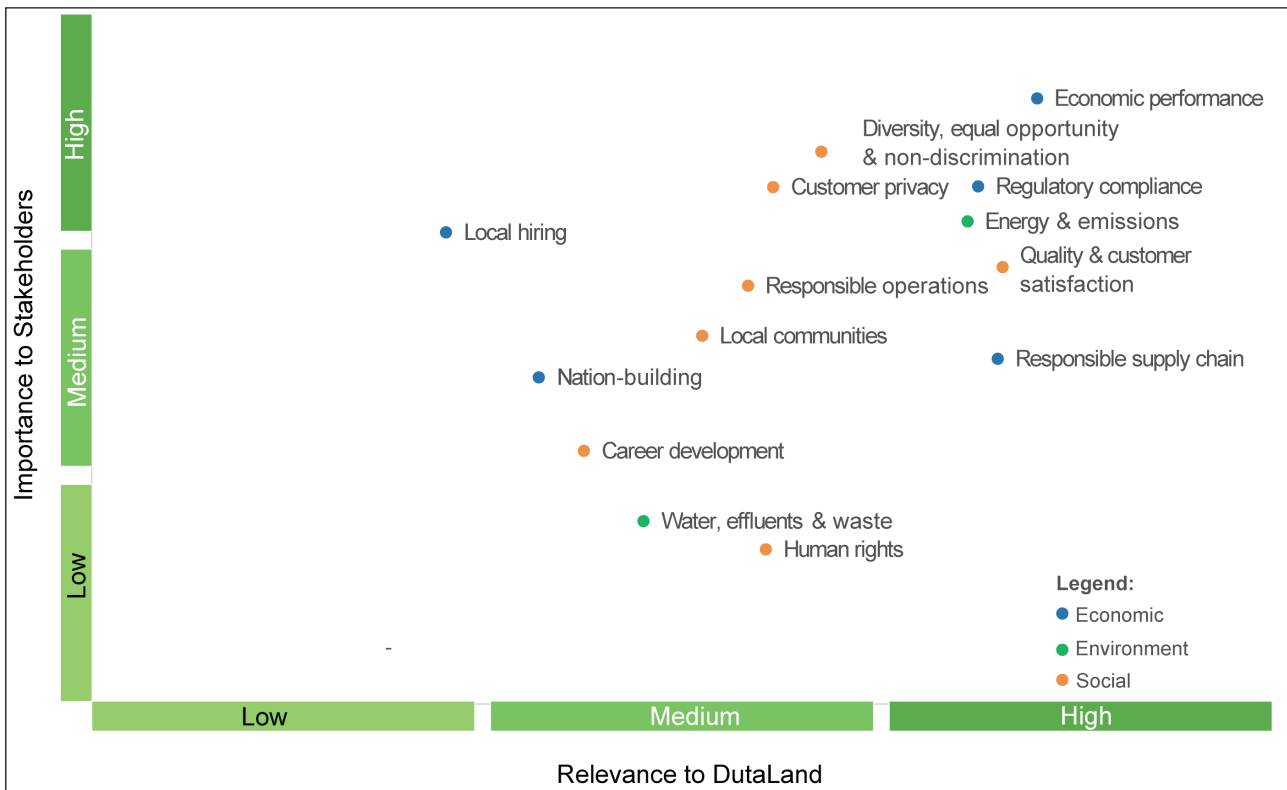
## Materiality Results

The materiality matrix is presented below. The sustainability topics in the top right quadrant are most material as they are important to both stakeholders and DutaLand from a strategic perspective. These topics are given prominence in the report.

# Sustainability Statement

(continued)

## Materiality Matrix

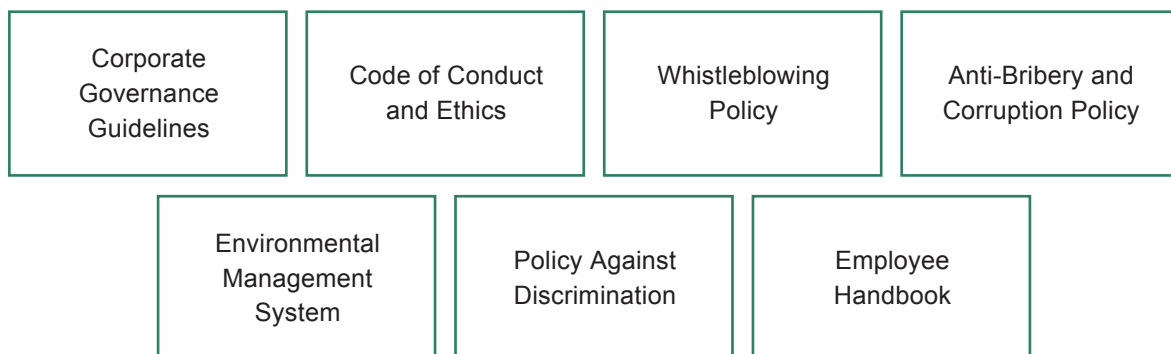


## MANAGEMENT APPROACH

The management aims to control all major risks and opportunities for all material financial and non-financial aspects of the business. Material topics identified in the materiality assessment are governed by:

- (i) Board of Directors;
- (ii) Executive management; and
- (iii) Sustainability working team.

This statement is complemented by a set of key guidelines with more detailed information about roles, responsibilities and commitments for the material topics.









The progress and subsequent actions taken for the material aspects are included in the various sections of this statement.

# Sustainability Statement

(continued)



## SUSTAINABLE DEVELOPMENT GOALS

Our sustainable development efforts can help resolve the key issues that the global community faces. The Group's sustainability policies, practices and projects are aligned with the direction set by the UNSDGs as follows:

Goal	Potential Impact	Our Contribution
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote wellbeing	<ul style="list-style-type: none"> <li>• Ensure indoor environments offer exceptional air quality and comfort</li> <li>• Provide employees with programmes and benefits that support health and wellness</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	Ensure the sustainable use and management of water resources	<ul style="list-style-type: none"> <li>• Reduce water use by 20%</li> <li>• Continue to responsibly conserve water through mitigation efforts such as rainwater harvesting</li> </ul>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable and modern energy	<ul style="list-style-type: none"> <li>• Reduce energy use by 20%</li> <li>• Replace some of the extra or unnecessary light bulbs in the office area to save power</li> <li>• Switch off lights at the reception area during the lunch break</li> <li>• Set timers for air conditioning in the server room, saving energy as only one unit operates at a time</li> <li>• Develop and operate energy-efficient buildings</li> <li>• Use interactive energy modelling during an integrated design process to maximise energy reduction</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	Ensure a safe work environment and assist in the economic development of local communities	<ul style="list-style-type: none"> <li>• Promote inclusive and productive employment and decent work for all</li> <li>• Require that all supply chain partners comply with applicable laws relating to the payment of wages and benefits, worker health and safety, labour organisations and other workplace laws</li> <li>• Invest in talent growth to support employees' career development</li> </ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	<ul style="list-style-type: none"> <li>• Identify and anticipate climate-related factors including business continuity and physical risks such as flooding, extreme heat and water scarcity</li> </ul>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	Participate in public-private partnerships that make our developments inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> <li>• Frontline provider for safe, affordable, assessable and sustainable urban development</li> <li>• Continue to support industry advancement by sharing knowledge and learning from our peers, industry groups and organisations to develop sustainable cities and communities</li> <li>• Execute development and projects that create great public spaces and places</li> </ul>

# Sustainability Statement

(continued)

Goal	Potential Impact	Our Contribution
	Ensure the sustainable use and management of resources	<ul style="list-style-type: none"> <li>• Reduce waste disposal rate by 20%</li> <li>• Target a minimum of 10% recycled content for building materials</li> <li>• Require all new developments to achieve green certification</li> </ul>
	Reduce greenhouse gas emissions from operations and prepare for environmental impacts	<ul style="list-style-type: none"> <li>• Proactively implement cost-effective energy efficiency measures</li> </ul>

## ECONOMIC

DutaLand continued to contribute directly and indirectly to economic growth through its operations as an investment holding company while the Group is involved in property development, property investment, property management and commodity trading. DutaLand plays a role in sustaining Malaysia's economy through its businesses and boosting market growth.

All of DutaLand's sectors are essential enablers of social and economic progress, growth and development. Operations are organised into four operating segments: Property Development, Plantation, CPO Trading and Investment Holding.

Property Development	<ul style="list-style-type: none"> <li>• Both residential and commercial properties</li> </ul>
Plantation	<ul style="list-style-type: none"> <li>• Oil palm plantations</li> </ul>
CPO Trading	<ul style="list-style-type: none"> <li>• Sale of CPO</li> </ul>
Investment Holding	<ul style="list-style-type: none"> <li>• Management, building maintenance and property investment</li> </ul>

The vast majority of total revenue is generated by the Property Development segment. Operating a strong, profitable and growing business supports stakeholders as it is a vehicle for job creation and contributing to the economic success of the communities in which we live and work.

## Supply Chain Sustainability

Supply chain sustainability concerns the management of environmental, social and economic impacts and encourages good governance practices throughout the lifecycle of operations.

Sustainability is integral to all procurement processes and supplier engagement. Sustainability questions have been added to bids and performance indicators. The Group will continue to improve its processes and engage with suppliers to identify and manage risks and increase supply chain efficiency.

# Sustainability Statement

(continued)

We support business opportunities and capacity building for local and diverse suppliers in our own operations and throughout the supply chain. We conduct all contracting and procurement activities in an ethical manner in accordance with our supply chain standards and applicable laws.

Health, Safety and Environment (HSE)	<p>Suppliers must comply with applicable environmental laws and regulations and conduct business with respect and care for the environment including:</p> <ul style="list-style-type: none"> <li>• Utilising energy and natural resources efficiently; and</li> <li>• Managing waste, emissions and discharges responsibly.</li> </ul> <p>CPO Trading prefers suppliers who are certified with Roundtable on Sustainable Palm Oil (RSPO) and the Malaysian Sustainable Palm Oil (MSPO).</p>
Labour and Human Rights	<p>Business is conducted with respect for the human rights philosophy expressed in the Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. Suppliers and contractors working on our behalf are expected to be guided by these principles.</p>
Integrity	<p>Contracts require suppliers to be guided in their performance by the principles and standards set forth in DutaLand's Code of Business Ethics and Conduct as well as their own ethics and conduct policies.</p>
Social performance	<p>All service providers and contractors are required to comply with applicable laws relating to the payment of wages and benefits, worker health and safety, interacting with labour organisations and other workplace laws related to areas such as non-discrimination, the proper classification of employees and maintenance of insurance.</p>

Collaborating with suppliers helps identify activities in their operations and extended supply chains that have environmental and social impacts. It also provides guidance on managing these impacts. DutaLand engages with supply chain partners to procure the necessary materials for constructing new development projects and operating existing buildings.

DutaLand conducts regular joint inspections with its consultants and contractors to ensure that there are no social and environmental breaches at any of its operation sites. Suppliers and contractors are also invited to raise their concerns and feedback during bi-weekly site meetings.

Generally, pricing and quality are the main deciding factors when selecting suppliers. However, supply chain partners who uphold the same sustainability beliefs in their operations are also prioritised.

## Ethics and Integrity

DutaLand and its employees have maintained the highest standards of integrity and ethics for decades, taking pride in traditions of responsibility and accountability. Transparent disclosure of governance and practices is vital for maintaining a well-established reputation and preserving the trust of investors. This sets a 'tone at the top' for good governance and includes the appropriate checks and balances that are typical of a formalised governance system.

Expected ethics and integrity standards are outlined in the Code of Conduct and Discipline Handbook, which is given to all employees during induction. New recruits are required to acknowledge that they have read and agree to abide by the Group's rules.

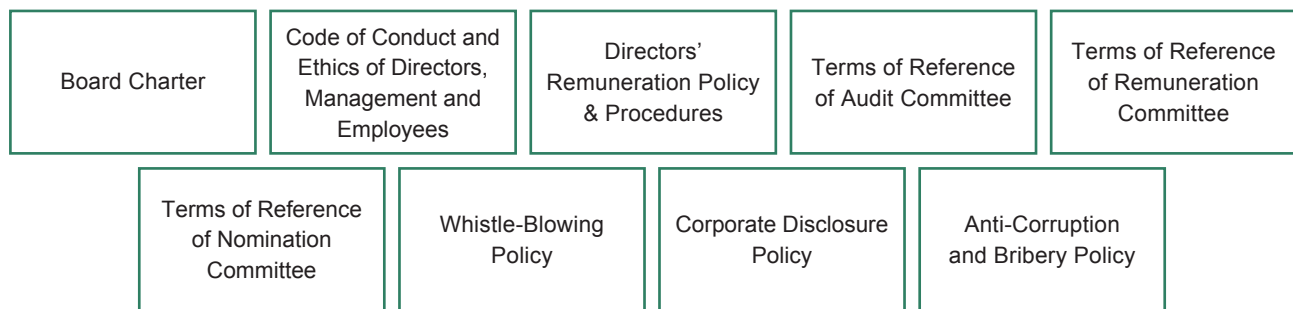
Any malpractice that is detrimental to the Group's interests is prohibited. Fair disciplinary action is taken in the event of misconduct to protect the Company and its brand reputation.

Various policies and documents have been introduced to ensure proper conduct and governance which are available on the Company's official website.

# Sustainability Statement

(continued)

## Governance Policies and Procedures



### **Bribery and Corruption**

DutaLand minimises its exposure to bribery, corruption and conflicts of interest. The Company requires strict adherence to Malaysia's anti-corruption and anti-bribery laws.

The Company firmly opposes all forms of corruption and follows the highest ethical standards when doing business.

The Board of Directors oversees compliance with anti-corruption policies. Every employee is responsible for preventing and reporting instances of bribery, suspicious activity or wrongdoing which may lead to bribery using our whistleblowing channels.

Employees found to have been involved in bribery are subject to disciplinary action that can lead to termination. Heads of departments must ensure that all employees adhere to the Anti-Corruption and Bribery Policy.

Understanding corruption risk exposure is key to an effective anti-corruption compliance programme. Corruption risks, including bribery, are important components of the Group's risk register so it can:

- help design mitigation strategies; and
- strategically deploy resources to combat potential instances of bribery, corruption and fraud.

### **Whistle Blowing Policy**

DutaLand and its group of companies encourage its employees and associates to report suspected and/or known misconduct, wrongdoing, corruption and instances of fraud, waste and/or abuse involving the resources of the Company. This is in line with the Whistleblower Protection Act 2010. Any individual who suspects that improper conduct, wrongdoings, corruption, fraud, waste or abuse has occurred is encouraged to inform the Group Internal Audit Department.

All reports are treated confidentially to protect the reporting individual from injury, intimidation or harassment, threats, discrimination, suspension or termination. No incidents or reports of misconduct in the Company were reported in FY2020.

## **ENVIRONMENT**

Environmental sustainability, including protecting and enhancing values, is a key component in the development of DutaLand's policies. Specifically, environmental sustainability concerns the protection of natural environmental and ecological systems.

DutaLand identifies adequate technical and managerial solutions to protect its natural capital, mitigate the current negative impacts and the future risks generated by the performance of business activities.

# Sustainability Statement

(continued)

DutaLand continues to support institutions and private and public entities involved in environmental protection in order to identify strategies, develop awareness-raising initiatives and engage human capital on environmental and social responsibility issues.

## OUR COMMITMENT:

1. Environmental monitoring and compliance with regulations
2. Ongoing improvement of environmental compliance levels and the responsible use of resources
3. Communication of environmental performance to stakeholders
4. Integrate economic growth with environmental protection

## Consumption of Resources and Waste Management

DutaLand has introduced sound waste management practices across all business operations to comply with environmental legislation, reduce costs and help create a positive company image.

### 3Rs - Now, Today and Future

DutaLand is mindful of reducing and reusing waste or recycling it in future goods. Good Reduce, Reuse and Recycle (“3Rs”) have been inculcated in our everyday working culture.

Wastes are segregated wherever possible and collected by an appointed contractor each week. As more than 95% of office waste generated is paper, its consumption is reduced by promoting the digital reporting of documents and reports.

### Green Procurement

DutaLand conducts all business responsibly and aims to reduce the total volume of waste generated by the Group. All business units are encouraged to conduct procurement in a resource-efficient manner.

### Construction Waste

Minimising construction waste has naturally become a pressing issue. The Group uses raw materials as well as semi-finished and finished products with footprints that must be constantly monitored and reduced. Waste reduction initiatives have been introduced that focus on segregating waste for recycling or reuse. Construction wastes at project sites are collected and disposed of by a licensed contractor.

DutaLand also manages surface runoff containing sediments and suspended solids generated from construction. Adequately sized silt traps and other forms of sediment retention structures ensure compliance with Department of Environment requirements.

### Scheduled Waste

Scheduled waste requires appropriate storage, recordkeeping and disposal methods as outlined in the Environmental Quality (Scheduled Wastes) Regulations 2005.

Scheduled waste generated at construction sites consists of spent oils, residual paints, thinners and batteries from construction vehicles. All scheduled wastes are managed and disposed of by an appointed licensed scheduled waste collector registered with the Department of Environment (“DOE”). Scheduled wastes are disposed of at pre-approved sites by the DOE to avoid contaminating the environment. Licensed contractors have been appointed who are skilled in handling this type of waste.

# Sustainability Statement

(continued)

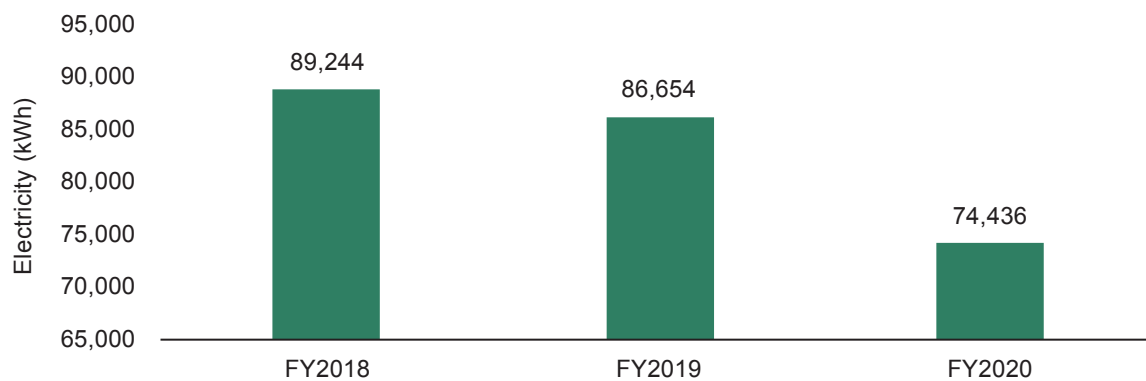
Scheduled wastes are disposed of at pre-approved sites by the DOE to avoid contaminating the environment. Licensed contractors have been appointed who are skilled in handling this type of waste.

## Energy Management

DutaLand is replacing light fixtures with high-efficiency LEDs and fluorescent lamps. Occupancy and daylight sensors and controls have also been installed. Lighting improvements conserve resources, improve energy efficiency and provide improved lighting quality that supports healthy and productive indoor environments for management and employees.

The Group's electricity consumption is presented below. The total consumption was derived from bills received from the municipal electricity provider.

## Electricity Consumption



## Sustainability Benefits of Green Development

Economic	Environmental	Social
<ul style="list-style-type: none"><li>• Reduce operating costs</li><li>• Improve occupant productivity</li><li>• Enhance asset value and profits</li><li>• Optimise life-cycle economic performance</li></ul>	<ul style="list-style-type: none"><li>• Enhance and protect biodiversity and ecosystems</li><li>• Improve air and water quality</li><li>• Reduce waste streams</li><li>• Conserve and restore natural resources</li></ul>	<ul style="list-style-type: none"><li>• Enhance occupant health and comfort</li><li>• Improve indoor air quality</li><li>• Minimise strain on local utility infrastructure</li><li>• Improve overall quality of life</li></ul>

# Sustainability Statement

(continued)

## Environmental Compliance

DutaLand is committed to abiding by all environmental rules and regulations. Compliance is assured by each business unit as well as at corporate and management levels through business reviews. All environmental deviations are documented, investigated and managed, even if they are within permitted levels and legal restrictions. This process helps the team learn and ensure deviations are not repeated in the future.

In FY2020, there were no reported material deviations that risked an adverse environmental effect. Key environmental regulations adhered to include the following.

- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Industrial Effluent) Regulations 2009
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Clean Air) Regulations 2014
- Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015

## SOCIAL

This section summarises the impacts we have on the social systems within which we operate such as relationships with communities, employees and customers. Our success depends on human capital and the Group has focused on social performance and externalities including:

- The social and economic impact of our development pipeline
- Diversity and inclusion in the workforce
- The wellbeing of employees
- Employees' training and professional development
- The positive contributions to the communities we serve

## OUR PEOPLE

Employees are what sets DutaLand apart with operational and financial performance depending on their talents, energy, experience and well-being. Our continued success is attributable to healthy and productive employees.

### Employee Benefit Programme

DutaLand's employee benefits programmes are designed to meet the needs of a diverse workforce. Comprehensive programmes offer flexibility and choice in coverage to employees and their families.

We reward the commitment of employees bringing their talent, energy and experience to DutaLand by providing a quality workplace and comprehensive benefits programmes. These programmes allow us to lead the industry in every facet of operations.

# Sustainability Statement

(continued)

## Competitive Employee Benefits Packages

• Insurance	{	• Group Hospitalisation and Surgical Plan, Personal Accident Insurance
• Gifts	{	• Baby and marriage gifts
• Leave	{	• Paid study leave, examination leave, maternity and paternity leave, compassionate leave, prolonged illness leave and marriage leave
• Medical	{	• Outpatient Medical Plan, Specialist Consultation, Executive Medical Check-up

## Minimum Wage Order 2016

DutaLand complies with Malaysia's Minimum Wage Order 2016, which states that every employee hired should be paid a minimum average monthly wage of not less than:

- RM1,000 in Peninsular Malaysia; or
- RM920 in Sabah, Sarawak and the Federal Territory of Labuan.

This minimum wage has been set to ensure that the standard entry-level wage offered is fair and equal. Employees are able to increase their living standards, which boosts productivity.

## Diversity

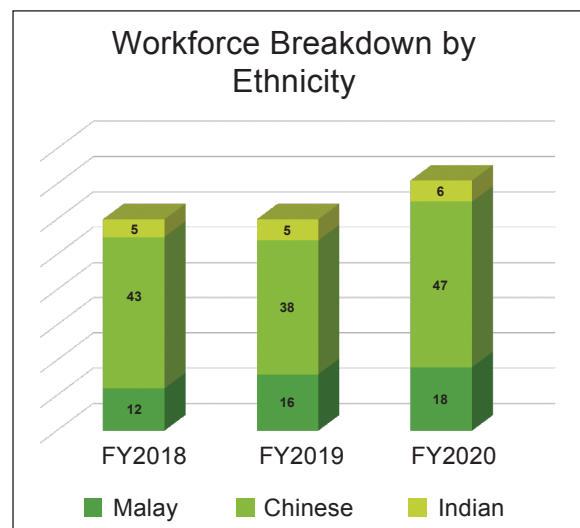
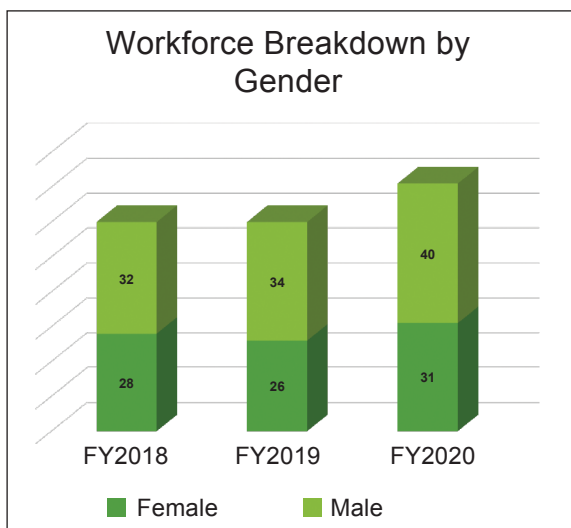
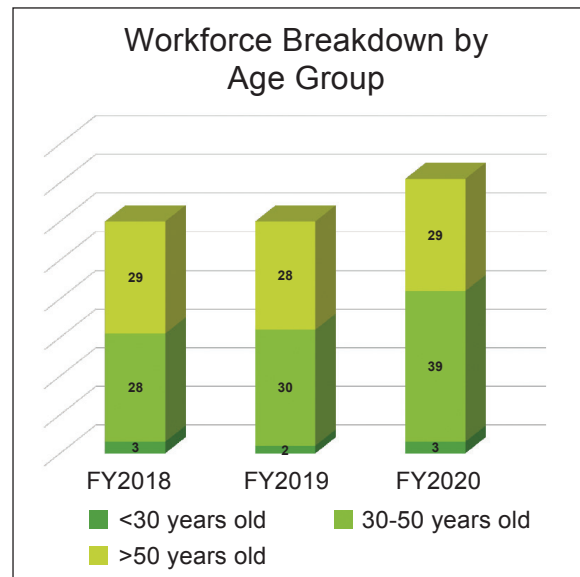
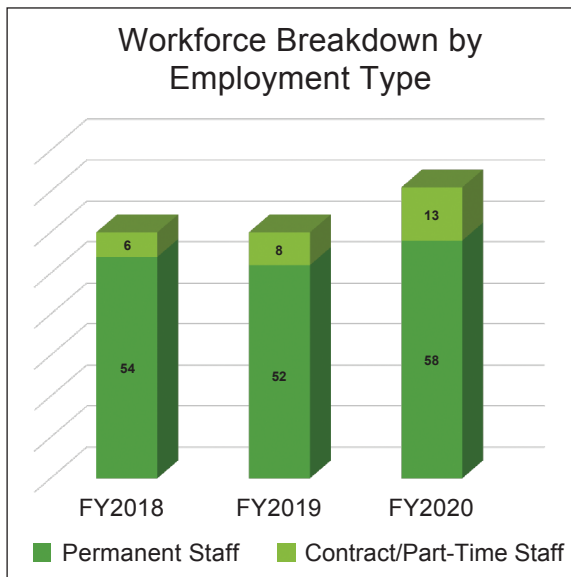
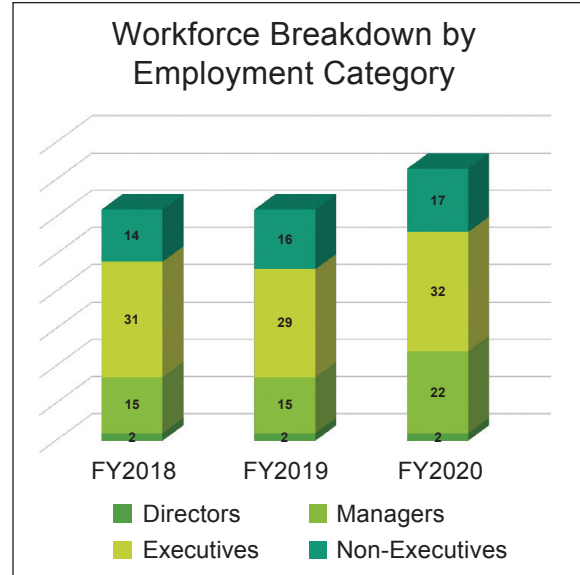
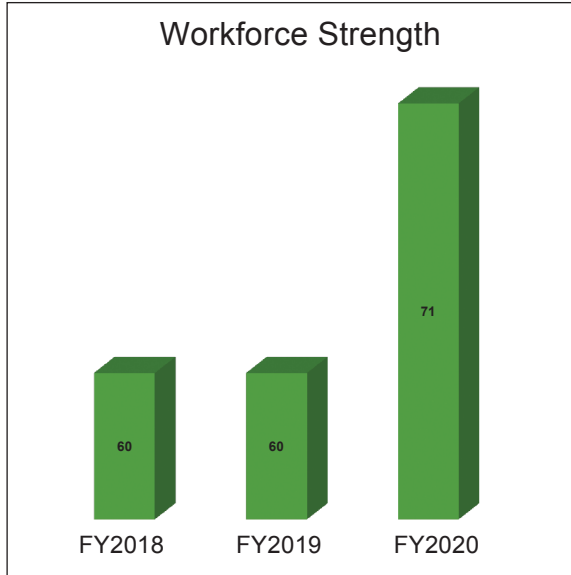
DutaLand's policy is to recruit, train and promote in all job titles regardless of race, colour, gender, religion, age, national origin, disability, marital status or any other characteristic.

The Group complies with applicable state and local laws prohibiting employment discrimination in each jurisdiction in which it maintains facilities. This policy ensures that all employees have the opportunity to maximise their contribution to DutaLand and their own career goals. An equal employment opportunity programme serves the requirements of society, the law, sound business practices and individual dignity, simultaneously.

# Sustainability Statement

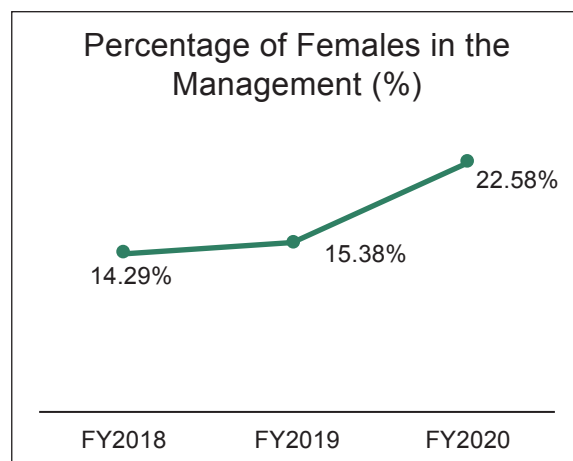
(continued)

100% of our employees are locally-hired and there is a good representation of employees by each category as displayed in the charts below.



# Sustainability Statement

(continued)



New Employee Hires	FY2018	FY2019	FY2020
Headcount	7	11	19
<b>New Employee Hires by Age Group</b>			
Below 30 years old	2	0	2
30-50 years old	4	8	13
Above 50 years old	1	3	4
<b>New Employee Hires by Gender</b>			
Male	4	7	14
Female	3	4	5

Employee Turnover (Headcount)	FY2018	FY2019	FY2020
Headcount	27	12	8
<b>Employee Turnover by Age Group</b>			
Below 30 years old	3	1	1
30-50 years old	15	6	4
Above 50 years old	9	5	4
<b>Employee Turnover by Gender</b>			
Male	26	6	8
Female	1	6	1

# Sustainability Statement

(continued)

## Safety And Health

Protecting the safety, health and overall well-being of employees and contractors are integrated into all business operations. DutaLand provides a safe and healthy work environment by:

- Fixing accountability for health and safety performance with line management along with productivity quality and other business performance metrics
- Recognising, identifying and evaluating operations or processes with risks that could negatively affect employee and contractor health
- Evaluating health and safety incidents to prevent their recurrence
- Providing contractors with information on EHS risks and relevant precautions
- Designing control measures for those operations or processes found to be potentially harmful
- Providing training to individuals

DutaLand has established minimum environmental, safety and health (EHS) requirements that apply to all projects regardless of their geographic location.

### EHS Programmes Implemented Within DutaLand

 • Site safety	 • Contractor safety	 • Ergonomics
 • General safety	 • Incident management	 • Occupational health

All on-site employees and contractors must attend the new-hire orientation and daily pre-task meetings. Managers and supervisors are responsible for conducting weekly toolbox meetings to raise important safety issues associated with their work activities along with any deficiencies and corrective action. DutaLand maintains health and safety training programmes including the documentation of these programmes and methods to evaluate the effectiveness of both training and communication activities.

All employees and contractors' employees are supplied with the appropriate personal protective equipment and tools to allow them to perform their work safely.

DutaLand also has a safety programme that addresses contractor safety. Company safety and health expectations are communicated to contractors' employees, which include DutaLand's site-specific safety rules and the emergency response procedures for the site.

### Safety Governance

DutaLand's Occupational, Safety and Health Committee is responsible for developing and promoting sustainable health, safety and environmental practices for all employees, contractors and visitors. The Committee is divided into four major safety areas: Damage Control, First Aider, Evacuation Traffic, and Search and Rescue. Reporting to the Board, the Committee is assisted by a representative from the main contractor, a safety officer and safety supervisor.

# Sustainability Statement

(continued)

## Performance And Career Development

All eligible employees receive an annual performance review (100%), which is performed along with the annual incentive compensation reviews. The performance appraisal form requires supervisors to assess the employee's fundamental understanding of the business and his or her commitment to company policies.

## Training And Education

Developing employees' skills and capabilities is a key component of our strategic priority to build a capable and effective workforce. DutaLand offers several programmes that enhance employees' skills as an ever-evolving company.


Employee development programmes provide workers with an opportunity to grow, learn new skills and develop. Robust induction training is delivered to new hires and employees are sent for additional training following defined periods of on-the-job experience.

### Training Figures at a Glance


Training	Unit	FY2018	FY2019	FY2020
Average training budget per employee	RM	-	-	-
Average training hours per year per employee	Hours	24	32	35.5
Total investment in training	RM	3,485.60	1,650	1,007

## HUMAN RIGHTS


DutaLand respects human rights and has adopted several practices that are aligned with the United Nations' Universal Declaration of Human Rights. All persons should be treated with dignity and respect and DutaLand strives to respect and promote human rights within all aspects of business operations. Policies and directives have been integrated within the company's literature, such as an employee handbook, code of conduct and compliance training programmes.




- Respect for the rights of all persons impacted, both directly and indirectly, by our business.




- Compliance with applicable laws and regulations regarding the protection of human rights.




- Promote and prioritise diversity and inclusivity.



- Provide safe and healthy workplaces that comply with all applicable health and safety laws, regulation and internal directives.



- Sustain and safeguard spaces free of violence, harassment, intimidation and other unsafe or disruptive conditions.



- Carrying out human rights due diligence of adverse human rights impacts.

# Sustainability Statement

(continued)

## COMMUNITY INVOLVEMENT

DutaLand aims to have a positive impact on society over time. The purpose and values underpinning our day-to-day operations reflect our passion and beliefs. DutaLand must be more than just a great place to work; it should help connect our personal and organisational values by building a community of people who care.

DutaLand's team engages with local communities as it is important to determine how projects can enhance neighbourhood amenities and quality of life. In 2020, our community involvement was strengthened by an ongoing commitment to volunteerism and philanthropy. Our donations during the financial year under review are as follows:

### Malaysian Golf Association

DutaLand donated a total of RM50,000 to the Charity Golf Tournament organised by the Malaysia Golf Association in February 2020 for the Yayasan Al Sutlan Abdullah.

### Sultan of Johor Cup

DutaLand donated RM50,000 to the Sultan of Johor Cup, an annually field hockey tournament and the ninth edition of the event held in 2019 with a total of six teams from various countries competed for the title where Malaysia was the hosting country.

### Church of St. Francis of Assisi

DutaLand sponsored RM10,000 for the Charity Golf Tournament for their building funds and also for National Kidney Foundation of Malaysia (NKF).

### Selangor Youth

DutaLand sponsored RM5,000 for the Alley Gatorz Bowling Team Trios League.

### Editors' Association of Chinese Medium of Malaysia

DutaLand sponsored RM2,000 for the Journalism Award 2019.

## Quality Public Disclosures

DutaLand provides shareholders with complete and accurate information in all material respects. The Company strives to ensure that the reports and documents for disclosure or submission to the relevant regulators or authorities, and other public communications are complete, accurate and timely.

## Compliance

Sustainability and compliance are integrated to strengthen our corporate ethics. We conduct business in a responsible sustainable way and the same commitment is expected from all partners. There have been no major incidents of sustainability non-compliance during this financial year.

As we grow, we will continue playing a part in driving sustainable growth in our business, communities, the nation and future generations. Improving our sustainability structure will help enhance the Group's future sustainability initiatives and efforts while monitoring the overall sustainability performance.

This Sustainability Statement was approved by the Board of DutaLand Berhad on 30 September 2020.

# Corporate Governance Overview Statement

The Board of Directors (“Board”) and management of DutaLand Berhad (“DutaLand” or “Company”) acknowledge that corporate governance is a key element for underpinning sustainable growth and enhancing shareholder value. Ultimately, the quality of the Company’s corporate governance infrastructure will improve the effectiveness of the Board’s oversight role for the benefit of shareholders of the Company and the long-term growth of DutaLand Group (“Group”).

The Board is pleased to present this Corporate Governance Overview Statement (“Statement”) which provides DutaLand’s overall approach to corporate governance as well as the practices adopted or applied during the financial year ended 30 June 2020 (“FY2020”), as guided by the key principles of the Malaysian Code on Corporate Governance (“MCCG”). This Statement should be read in conjunction with the Corporate Governance Report 2020 of the Company which is available on the Company’s website at [www.dutaland.com.my](http://www.dutaland.com.my).

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

- **Corporate Governance Culture**

The Board is mindful that a good corporate governance framework involves essentially a strong leadership and a positive culture. The tone at the top sets the drumbeat for the Group in promoting ethical corporate culture and good business conduct that engender integrity, transparency and fairness to enhance shareholders’ value.

In light that every company is different in terms of industry, business, scale, corporate culture, specific stage of development and so forth, approaches to corporate governance will inevitably reflect these differences. Whilst the recommended best practices may facilitate in achieving the intended outcomes but what does seem indisputable is that there is no one-size-fits-all approach. In other words, not all best practices will be apposite in every company.

In practising quality governance standards and achieving the intended outcomes, the Board adopts appropriate and practical strategies, policies and practices that are aligned with the corporate culture to create sustainable value, taking into consideration of stakeholders’ expectations and interests.

- **Duties and Responsibilities of the Board**

The Board has the overall responsibility for the Company’s affairs and conduct in discharging fiduciary and leadership functions, whilst overseeing the organisation behaviour, corporate governance, investor relations, risks management, internal controls and sustainability issues, amongst others.

The Board has, in carrying out its responsibilities, established the dedicated Board Committees and conducted annual performance review to monitor their performance. The Board ensures the senior management is of sufficient caliber to implement corporate strategies and objectives, taking into account the corporate culture and legitimate needs.

- **Directors’ Code of Conduct**

The Board commits towards establishing a corporate culture to nurture a high standard of ethical conduct throughout the Group and to promote ethical corporate environment in the country.

The Code of Conduct of DutaLand Directors, management and employees, adopted by the Board on 29 August 2012, is guided by the framework issued by the Companies Commission of Malaysia. It covers implementation of internal systems and processes for matters regarding compliance with statutory and listing obligations by the Company. The Code of Conduct of DutaLand Directors, management and employees is available on the Company’s website at [www.dutaland.com.my](http://www.dutaland.com.my).

# Corporate Governance Overview Statement

(continued)

- **Board Charter**

The roles and responsibilities of the Board and the key matters reserved for the Board are formalised in the Board Charter, which have been adopted by the Board on 29 August 2012 and revised during the financial year 2019. The Board Charter will be reviewed and updated from time to time as necessary to reflect the needs of the Group and prevailing rulings and regulations. The Board Charter is available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

- **Board Composition**

All Directors have extensive professional background as stated in the respective Profiles of Directors included in this Annual Report. The Independent Directors make up more than one-third of the Board membership. The Board composition and size will be assessed by the Board through the Nomination Committee.

There was no change in the Board's composition during FY2020. As of the date of this Statement, the Board of DutaLand consists of 7 Board members, comprising the Group Managing Director, an Executive Director, a Non-Independent Non-Executive Director together with a strong presence of 4 Independent Directors including the Chairman of the Board. Mr Cheong Wong Sang is the Senior Independent Director, and acting as the point of contact for shareholders and other stakeholders.

- **Board Mix and Balance**

The Board has the right mix of skills, experience and knowledge base with a broad background in business, finance and public service. Besides, the Board comprises a majority of Independent Directors who bring independent and objective judgement to Board decisions.

The Board composition is intended to ensure that the Company is well placed for mitigating the risk of conflict of interests and preventing undue influence by interested parties. This composition also enables Board's decisions to be made from diverse perspectives and insights, encouraging greater oversight effectiveness on matters relating to the Group's strategy, business performance and prospects, amongst others. The Board is satisfied that such balanced Board composition ensures the interests of stakeholders are adequately protected and fulfils the ultimate responsibility of the Board.

- **Board Diversity**

The Directors strive for an effective and balanced Board and concern on creating a more egalitarian Board culture in improving their governance, performing their duties and overseeing the Company towards a better performing Board.

The Board takes cognisance of Board diversity issues, however, the Board is of the view that by concentrating on only one form of diversity may not be sufficient. Whilst certain companies may have made progress on gender diversity, the Company's view of diversity is that it shall progress on all other forms of diversity including professional diversity and social diversity such as gender, ethnicity, age, education, background and nationality, for which they are crucial in ensuring all Board decisions will be made objectively taking into account diverse perspectives and insights.

Having acknowledged that there is no universal or blanket policy for Board diversity, the Board does not have a policy on boardroom gender diversity as the Board provides equal opportunities to all candidates based on merits and takes into account of all possible forms of diversity aforesaid. The Board's consideration of the most suitable candidate for the Board or management will coincide with the skills and experiences desirable and required to attain the Company's strategic objectives and goals.

The Board, when determining the suitability of any candidate, will avoid 'checking the box' initiative and tokenism for Board diversity that might merely give an appearance of gender equality within the Board or the management of the Company. The gender of a candidate shall not be the only criterion to be considered as if the only value of such candidate is the fact that the candidate is of that particular gender.

# Corporate Governance Overview Statement

(continued)

- **Board Chairman and Group Managing Director**

In DutaLand, no individual Director has powers that span the two roles and no individual Director has unfettered power of decision. The underlying principle of the clear separation of roles and responsibilities in the Board is to ensure a balance of power and authority, to maintain trust amongst peer Directors and ultimately to enhance greater capacity for independent decision making.

The Board concerns on potential conflicts of interests when any two roles are combined. In this regard, the positions of the Board Chairman and the Group Managing Director of DutaLand are separated. The Board Chairman focuses on governance and compliance whilst the Group Managing Director focuses on the business and the day-to-day operations of the Group, both functionally independent. The Independent Board Chairman and the Group Managing Director are not related to each other.

The respective responsibilities and roles of the Chairman and the Group Managing Director are clearly established and agreed by the Board as formalised in the Board Charter which is available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

- **Appointment of Directors**

The Board sets out the expectations on character, experience, integrity, competence, time commitment and boardroom diversity for the existing Board members and protocols when assessing new directorships.

The Nomination Committee is responsible for appointment of new Board members. New nomination or election, if any, will be reviewed by the Nomination Committee and, if deemed fit, will be recommended to the Board for its consideration and approval. The Nomination Committee will, as appropriate, explore and leverage on varied sources of referral from the existing Board members, major shareholders and independent or external sources in identifying suitably qualified candidates.

- **Re-election of Directors**

The Board is conducive to having a strong cohesive Board, skills balanced. The Board takes cognisance that setting a maximum term of office of Directors could impact the invaluable experience and leadership that are being brought through the long-serving of Directors as well as trust and support amongst Directors.

The Board Charter does not specify any tenure limit nor prescribe any age limit for Board members as the Board believes that the capacity and enthusiasm of a Director are not subject to his tenure or age. The Board has established the process to assess the performance of individual Directors, annually, and the independence of Independent Directors, semi-annually.

Pursuant to the Constitution of the Company, the Directors of the Company shall retire from office at least once in each 3 years and one third of the Directors shall retire at the Annual General Meeting ("AGM") of the Company. Premised to the above, Tan Sri Dato' Yap Yong Seong, Dato' Abdul Majit bin Ahmad Khan and Mr Cheong Wong Sang will retire at the forthcoming AGM and will be eligible to offer themselves for re-election. To assist shareholders in their decision, the write-up of the aforesaid Directors, has been set out in the Profile of Directors included in this Annual Report.

The Nomination Committee (without the participation of the Directors concerned on own assessment) had conducted an annual assessment of all Directors for FY2020 and, having satisfied itself with the findings on the contribution and performance of individual Directors including attendance at meetings, preparedness, participation, integrity, leadership and independence, where applicable, recommended to the Board the proposed re-election of Directors, subject to the shareholders' approval at the AGM. The Board (with the relevant Directors had abstained from the Board's deliberation regarding own evaluation and re-election) deemed it appropriate and endorsed on the Nomination Committee's recommendation to re-elect the retiring Directors aforesaid in view of their knowledge, experience and competency which will benefit the Board and the Group's continued sustainability and growth.

# Corporate Governance Overview Statement

(continued)

## • Remuneration of Directors

The remuneration of the Board members and the senior management is set to attract and retain highly qualified individuals to serve on the Board and the Company. The Board has in place the policy and practices to determine the remuneration of the Board members and the senior management, taking into consideration the Company's performance as well as individual skills and experience. The said remuneration policy, available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my), is aligned with the Group's strategy and values in fostering long term success and on which will be reviewed where necessary.

The remuneration of Non-Executive Directors reflects their quality and effectiveness as well as the time, effort and commitment in fulfilling their responsibilities to the Board and Board Committees. Each Non-Executive Director will receive a fixed Director's fee, payable annually, and a meeting allowance for attendance at the meetings of the Board and/or the Audit Committee and general meetings of the Company, which are recommended by the Board and subject to the shareholders' approval.

The Executive Directors are not paid with any Director's fee nor meeting attendance allowance. The Executive Board's remuneration is structured on the basis of linking rewards to the corporate and individual's performance, commensurates with the responsibility and contribution to the Group and in line with the market standard.

Pursuant to the relevant guideline issued by the Companies Commission of Malaysia with regard to Section 230 of the Companies Act 2016 ("Companies Act"), Directors' benefits that require shareholders' approval are benefits which arise from the appointment to the office of Director, however, shareholders' approval is not required for entitlements of a salaried Executive Director which are given for his office as an executive or management position.

The Remuneration Committee conducts evaluation of Directors' remuneration annually or as and when required, whereby its recommendations will be provided to the Board for endorsement. The respective remuneration packages of the Group Managing Director and the Executive Director, including benefits, benefits-in-kind and allowance for FY2020 were reviewed by the Remuneration Committee and duly approved by the Board. The relevant Directors had abstained from the deliberation and decision making in relation to their own remuneration.

The remuneration received and receivable by the Directors from the Company and from the Group for FY2020 is as follows:

### From the Company

	Fee	Salary	Allowance	Statutory Contribution	Bonus	Benefits-in-kind	Total
<b>Directors</b>	<b>RM</b>						
<b>Executive Directors</b>							
Tan Sri Dato' Yap Yong Seong	-	194,400	300,000	593	-	47,030	542,023
Mr Yap Wee Chun	-	145,800	24,000	21,371	-	4,035	195,206
<b>Non-Executive Directors</b>							
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	48,000	-	2,400	-	-	-	50,400
Dato' Sri Yap Wee Keat	48,000	-	1,400	-	-	-	49,400
Dato' Hazli bin Ibrahim	48,000	-	7,200	-	-	-	55,200
Dato' Abdul Majit bin Ahmad Khan	48,000	-	2,700	-	-	-	50,700
Mr Cheong Wong Sang	48,000	-	3,700	-	-	-	51,700

# Corporate Governance Overview Statement

(continued)

## From the Group

	Fee	Salary	Allowance	Statutory Contribution	Bonus	Benefits-in-kind	Total
<b>Directors</b>	<b>RM</b>						
<b>Executive Directors</b>							
Tan Sri Dato' Yap Yong Seong	-	946,728	300,000	2,122	-	52,983	1,301,833
Mr Yap Wee Chun	-	745,800	96,000	156,935	450,000	40,606	1,489,341
<b>Non-Executive Directors</b>							
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	48,000	-	2,400	-	-	-	50,400
Dato' Sri Yap Wee Keat	48,000	-	1,400	-	-	-	49,400
Dato' Hazli bin Ibrahim	48,000	-	7,200	-	-	-	55,200
Dato' Abdul Majit bin Ahmad Khan	48,000	-	2,700	-	-	-	50,700
Mr Cheong Wong Sang	48,000	-	3,700	-	-	-	51,700

The remuneration of DutaLand's Directors for FY2020 at a glance is as follows:

Range of remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
RM50,000 and below	-	1
RM50,001 to RM100,000	-	4
RM1,300,001 to RM1,350,000	1	-
RM1,450,001 to RM1,500,000	1	-

- Remuneration of Senior Management**

Whilst the Board's role is to govern and to set the strategic direction of the Company, it is the role of the senior management to support the Board in managing the Company effectively in accordance with the strategic direction and the Board's delegation. The senior management team plays a pivotal role in implementing strategic plans and conducting business activities of the Group and continues to be accountable in operations. The Board will then oversee the activities of management in carrying out the delegated duties.

There are no hard limits or caps set by the Company as a significant proportion of remuneration shall be performance related and sufficient to attract and retain talents and quality individuals. The Board shall act in the best interest of the Company and prevent the Company from losing its' top talent and valuable skills, experiences and expertise to other employers.

Given the competitive employment market for resourcing and acquisition of new executive talents on top of the Company's efforts in retaining the existing pool of competent talents, a detailed disclosure of key senior management's remuneration on a named basis will not be favourable to the Company.

# Corporate Governance Overview Statement

(continued)

Set out below is the number of key senior management whose aggregate remuneration for FY2020, in separate band of RM50,000:

Range of remuneration*	Number of Key senior management#
RM250,001 to RM300,000	2
RM300,001 to RM350,000	1

Notes:

\* Including salary, bonus, benefits-in-kind and other emoluments.

# Excluding the respective remunerations of the Group Managing Director and the Executive Director for which have been disclosed in the section hereinbefore.

- Board Meetings and Supply of Information**

The Board meets at least 4 times a year at quarterly intervals and additional Board meetings may be called anytime when significant issues arise or the Board's direction is required. On top of Board meetings, approvals on matters requiring the sanction of the Board from time to time are sought by way of circular resolutions to be signed by all Directors.

During FY2020, 5 Board meetings had been held on which the Board was satisfied with the participation and commitment of its fellow Board members. The attendance of Directors at the aforesaid meeting is set out in the table below:

Directors	Designation	Number of Board meetings attended
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	Independent Non-Executive Chairman	5/5
Tan Sri Dato' Yap Yong Seong	Group Managing Director	5/5
Mr Yap Wee Chun	Executive Director	5/5
Dato' Sri Yap Wee Keat	Non-Independent Non-Executive Director	5/5
Dato' Hazli bin Ibrahim	Independent Non-Executive Director	5/5
Dato' Abdul Majit bin Ahmad Khan	Independent Non-Executive Director	4/5
Mr Cheong Wong Sang	Senior Independent Non-Executive Director	5/5

Meeting materials were circulated to members of the Board and Board Committees prior to the meetings, including matters specifically reserved for the Board's decision such as quarterly interim financial results. Documents on confidential issues which were price-sensitive had been handed out during the Board meeting.

# Corporate Governance Overview Statement

(continued)

The Directors, in discharging their obligations, were well prepared for and participated objectively in the deliberation in the Board and Board Committee meetings. The Chairman of the Board made sure that all Board members were given ample opportunity to express their views and opinions during the meeting. When a Director was unable to attend a meeting scheduled, he contributed his views on matters to be discussed via tele-conferencing or by briefing the Chairman prior to the meeting.

The Board's deliberations of the issues discussed and conclusion reached were duly recorded in the minutes of meetings, of which had been circulated to all Board members for confirmation and duly signed by the Chairman of the meeting. The chairs of Board Committees briefed the Directors at Board meetings on salient matters raised at the respective Board Committee meetings which required the Board's attention or direction. Members of the Board or Board Committees also disclosed their interests involved in transactions or matters discussed and abstained from relevant deliberation and decision making process.

Management Executive Committee meetings of the Company had been held prior to Board meetings, presented thereat the details regarding business units, ground operations, strategies and performances for management discussion. The Executive Directors and the senior management who attended at these meetings reviewed and monitored the performance of the Group's business units in attaining the financial and business targets. Specific matters reserved for the full Board's decision including corporate strategies, acquisitions and merger, acquisition or disposals of assets and investment decisions concerning the Group's business direction and policies.

Senior management personnel attended at the Board and Board Committee meetings reported the matters relating to respective areas of responsibility and provided insights into findings and recommendations to the Board. Presentations and briefings by external consultants or legal advisors had been arranged to provide further information and advices to the Board or Board Committees.

There is no restriction for Directors to obtain independent professional advice at the Company's expense in furtherance of their duties. The Board has access to the information and advices, from the senior management and the Company Secretaries, which facilitate Directors to oversee the Company's business affairs and performance.

The Company Secretaries are qualified Chartered Secretaries who support the Board in carrying out its roles and responsibilities. The Company Secretaries also ensure the Company's compliance with statutory and listing obligations.

- **Dealings in Shares of the Company**

The Board is being regularly updated by the Company Secretaries and management on requirements and guidelines of regulatory authorities in dealing with the securities of the Company, including the latest development in legislations and regulatory framework which is relevant to the Company.

- **Directors' Training**

The Directors are aware of the continuing education programme requirement pursuant to the Listing Requirements. The Directors devoted sufficient time to regularly enhance their skills and update their knowledge on the development of the market and the Group's businesses which will contribute positively in discharging their duties as Directors.

The Board, through the annual assessment conducted by the Nomination Committee, had determined the training needs for individual Directors and made sure its members have access to appropriate training programmes.

# Corporate Governance Overview Statement

(continued)

During FY2020, the Directors attended and participated in the following training programmes to which the Board deemed it as appropriate and sufficient to provide the knowledge and skills required for Directors in carrying out their duties:

Directors	Training programmes attended
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	<ul style="list-style-type: none"> <li>• Sime Darby Property Bridging Series – Shaping the future through integrated policy formulation</li> <li>• Board Retreat Speakers' Series -               <ul style="list-style-type: none"> <li>- An in-dept industry analysis and outlook moving forward for South East Asia</li> <li>- The future of investment into Asia Pacific's industrial and logistics markets</li> <li>- The catalyst for development: government's immediate priorities and growth areas</li> </ul> </li> <li>• PNB Corporate Summit 2019</li> <li>• Malaysian Anti-Corruption Commission Act</li> <li>• Update on accounting standards</li> <li>• Reputation Resilience &amp; Crisis Management : Out of control but in command – How to manage the new realities of business</li> </ul>
Tan Sri Dato' Yap Yong Seong	<ul style="list-style-type: none"> <li>• The Future of AGM – Fully virtual / hybrid AGM</li> </ul>
Mr Yap Wee Chun	<ul style="list-style-type: none"> <li>• COVID-19 Mission : Recovery – Options for distressed companies</li> </ul>
Dato' Sri Yap Wee Keat	<ul style="list-style-type: none"> <li>• Explore the future of work and the workplace</li> <li>• Morgan Stanley Eighteenth Annual Asia Pacific Summit</li> <li>• LSE ReCode Tech Conference 2019</li> </ul>
Dato' Hazli bin Ibrahim	<ul style="list-style-type: none"> <li>• Sustainability-Inspired Innovations : Enablers of the 21st Century</li> <li>• Audit Oversight Board conversation with audit committees</li> </ul>
Dato' Abdul Majit bin Ahmad Khan	<ul style="list-style-type: none"> <li>• Key disclosure objectives of a listed company financial reporting</li> </ul>
Mr Cheong Wong Sang	<ul style="list-style-type: none"> <li>• The convergence of digitisation and sustainability</li> <li>• National Anti-Corruption Plan (NACP) and corporate liability provision</li> </ul>

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### • Board Committees

The Board delegates specific responsibilities to the Board Committees to assist the Board in discharging its responsibilities effectively and efficiently. The Board Committees of the Company consist of Audit Committee, Nomination Committee and Remuneration Committee, all of which will operate within the respective terms of reference.

The respective chairs of the said Board Committees have been served by different Independent Directors indicating a clear segregation of roles and responsibilities and providing check and balance in functions of these Board Committees.

For the financial year under review, the Board Committees reported to the Board on salient matters they had reviewed, considered, deliberated, and made relevant recommendations for the Board's information, direction or approval. Board Committee meetings minutes were included in the Board meeting materials so as to keep all Directors updated on activities conducted by the Board Committees.

# Corporate Governance Overview Statement

(continued)

The composition of the respective Board Committees of DutaLand is as follows:

Directors	Audit Committee <sup>(1)</sup>	Nomination Committee <sup>(2)</sup>	Remuneration Committee <sup>(3)</sup>
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah (Independent Non-Executive Chairman)	-	-	-
Tan Sri Dato' Yap Yong Seong (Group Managing Director)	-	-	-
Mr Yap Wee Chun (Executive Director)	-	-	-
Dato' Sri Yap Wee Keat (Non-Independent Non-Executive Director)	-	-	-
Dato' Hazli bin Ibrahim (Independent Non-Executive Director)	Chairman	Member	Member
Dato' Abdul Majit bin Ahmad Khan (Independent Non-Executive Director)	Member	Member	Chairman
Mr Cheong Wong Sang (Senior Independent Non-Executive Director)	Member	Chairman	Member

Notes:

- (1) In compliance with Paragraph 15.09(1)(b) of the Listing Requirements which sets out that all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. Consistent with MCCG's recommended practice that the Audit Committee should comprise solely of Independent Directors and that the chair of Audit Committee is not the Chairman of the Board.
- (2) In compliance with Paragraph 15.08A(1) of the Listing Requirements which sets out that a Nomination Committee must comprise exclusively of Non-Executive Directors, a majority of whom must be independent. Consistent with MCCG's recommended practice that the chair on the Nomination Committee is the Senior Independent Director of the Company.
- (3) Consistent with MCCG's recommended practice that the Remuneration Committee should only consist of Non-Executive Directors and a majority of them must be Independent Directors.

## • Audit Committee

The Audit Committee of the Company was established by the Board mainly to assist the Board to oversee the financial reporting process and ensure the results of the Company's operations are fairly presented in its financial statements. During FY2020, 5 Audit Committee meetings were held.

The Audit Committee engages with senior management of the Company and the internal and external auditors, on a continuous basis. The Audit Committee acknowledges that the relationship between the Company and its external auditors shall be governed by a policy which establishes the procedures to assess the suitability, objectivity and independence of the external auditors and to ensure independence of auditors is not compromised.

The Audit Committee has a policy and procedures to assess the suitability, objectivity and independence of the external auditor. The Audit Committee also adopted an external auditors policy duly approved by the Board, amongst other guidelines, a former key audit partner is required to serve a cooling-off period of at least 2 years before being appointed, in any event, as a member of the Audit Committee. In this regards, the Audit Committee takes cognisance of the latest requirement and will review and revise the said external auditors policy accordingly.

The summary of duties and responsibilities of the Audit Committee is set out in its terms of reference as approved by the Board, and is available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my). The details of the activities and/or work conducted by the Audit Committee during FY2020 are set out in the Audit Committee Report included in this Annual Report.

# Corporate Governance Overview Statement

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- **Remuneration Committee**

The Remuneration Committee was established by the Board on 27 February 2002, comprising exclusively of Independent Non-Executive Directors of the Company. The composition of the Remuneration Committee enables greater objectivity and independence in decision making. The Remuneration Committee met once in FY2020. The terms of reference of the Remuneration Committee are available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

The Remuneration Committee is responsible for reviewing and, if deemed fit, recommending to the Board for its approval on the remuneration, salary increment and bonus of the Executive Directors or senior management and the annual fee and meeting allowance of the Non-Executive Directors.

For the financial year under review, the Remuneration Committee took into consideration the responsibilities and performance of individual Directors and senior management staff on the back of industry practices and norms as well as the Group's long term objectives in order to attract, retain and motivate the Directors and management with a fair and commensurate remuneration package. The Director or management concerned had abstained from the relevant deliberation and decision making in respect of own remuneration package.

- **Nomination Committee**

The Nomination Committee of the Company was established by the Board on 27 February 2002. The Nomination Committee comprises exclusively of Independent Directors and is chaired by the Senior Independent Director which is consistent with Practice 4.7 of the MCCG. The detailed duties and responsibilities of the Nomination Committee are set out in its terms of reference, duly approved by the Board, and available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

The Nomination Committee is a Board committee that acts as part of the Company's corporate governance, mainly responsible for nomination for the Board or Board Committees members, annual assessment of Directors as well as the succession planning. The Nomination Committee will evaluate all Directors and examine the skills and characteristics needed. New nomination, if any, will be recommended by the Nomination Committee to the Board for approval. During FY2020, there was no appointment of new member to the Board or Board Committees.

The Nomination Committee met once in FY2020. The activities undertaken by the Nomination Committee in discharging its duties, during the financial year under review, are as follows and more particularly delineated in the section hereinafter:

- (i) Conducted the respective annual assessments of the Board, Board Committees, individual Directors and independence of Independent Directors.
- (ii) Following the annual assessment conducted, has made recommendations to the Board for re-election of Directors who are due for retirement at the 53<sup>rd</sup> AGM, subject to the shareholders' approval.
- (iii) Following the annual assessment conducted, has made recommendations to the Board to retain Independent Directors who have served the Board in that capacity for a tenure of more than 9 years or 12 years, subject to the shareholders' approval.
- (iv) Across the Group, the Nomination Committee is also overseeing talent management and succession planning for Directors and the senior positions. In conducting the annual assessment on the performance of Directors, the Nomination Committee considered succession planning for Directors. The Nomination Committee concurred that the Executive Director of the Company, appointed since 1996, possesses the requisite knowledge, competency and leadership skills to lead the management team.

In respect of the above, the relevant Nomination Committee members had abstained from the relevant deliberation and decision making regarding own assessment.

# Corporate Governance Overview Statement

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- **Board's Assessments**

The annual assessment conducted the financial year under review was structured to ensure a balanced and objective review by the Directors in key areas in accomplishing their goals and discharging their responsibilities, and to provide insights into the functioning of the Board and Board Committees in identifying areas that need continuous improvement.

The criteria used in the questionnaires were guided by the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and customised to meet the expectations of the Company after taking into consideration the current and future needs of the Company covering the Board composition, principal responsibilities of the Board, Board process, Board governance, risk management, succession planning and independence of Directors. Where appropriate, the Nomination Committee will review such assessment criteria.

The Board and the Nomination Committee deliberated on the findings of the respective assessments as inputted by the Directors in the relevant questionnaires, the record of which was properly documented. The findings, review and recommendations of the Nomination Committee, summarised as follows, were reported to the Board, on which the Board (with the Board or Nomination Committee members concerned had abstained from the relevant deliberation and decision making) reviewed, concurred and endorsed:

- (i) **Board and Board Committees effectiveness**

- The Board has the right size and the Board composition is well balanced having considered the mix of skills, independence and diversity required in meeting the needs of the Company. The Board and the Board Committees, as a whole, had performed well during FY2020 with individual members' creditability that added value to the Company and exercised objective judgement in decision making process.
    - Members of the Board and Board Committees encompass the necessary skills, experiences, competence and qualities that contributed to the overall effectiveness of the Board and Board Committees, whilst each Board member dedicates sufficient time and attention to the affairs of the Company.

- (ii) **Individual Directors**

- The Nomination Committee is satisfied with the findings on individual Directors' contribution to the Board and the Board Committees, and their performance, attendance at meetings, preparedness, participation and integrity.
    - Each Director has the character, experience, integrity, competence and time to effectively discharge the respective roles. The assessment conducted on and recommendation pertaining to Independent Directors are set forth in the following section herein.

- **Independence of Directors**

- (i) **Independent Directors**

The tenure of the Independent Directors of DutaLand who have served in that capacity is as follows:

Independent Directors	Tenure
Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	More than 9 years
Dato' Hazli bin Ibrahim	More than 12 years
Mr Cheong Wong Sang	More than 12 years
Dato' Abdul Majit bin Ahmad Khan	Less than 9 years

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(continued)

Based on the annual assessment conducted by the Nomination Committee for FY2020 as well as the half-yearly confirmation procured from each Independent Director, the Nomination Committee reported to the Board the following findings:

- all the Independent Directors fulfil the criteria of Independent Directors pursuant to the Listing Requirements;
- the long-serving Independent Directors, who possess experience and in-depth knowledge of the Group's businesses, provide a check and balance to the Board and Board Committees in discharging their duties; and
- each Independent Director has demonstrated independence in his character and judgement as a Board member and the designated roles in Board Committees, and that all the Independent Directors contribute positively to the Board and Board Committees' deliberation as well as demonstrated objective judgement with diverse perspectives and insights during the decision making process.

Premised on the above, the Board concurred with the Nomination Committee that:

- the suitability and ability of an Independent Director to serve effectively is a function of his conduct, judgement, calibre and integrity of such Director in discharging his responsibilities in the best interest of the Company and various stakeholders, regardless the length of service;
- tenure of service does not impair the independence and objectivity of the Independent Directors of the Company, notwithstanding that they have served in that capacity for more than 9 years or 12 years; and
- tenure of service should not be the sole indicator of independence and objectivity of a Director without taking into consideration of other factors such as his characteristics and qualities.

## (ii) Independent Director beyond 9 years

In this respect, the Board (with the Board member concerned had abstained from the relevant deliberation and decision making), having satisfied with the findings of the annual assessment of all Independent Directors particularly on their contribution, objectivity and integrity, supported and endorsed on the Nomination Committee's recommendation to retain Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah as Independent Director without re-designation subject to the shareholders' approval at the 53<sup>rd</sup> AGM, which is aligned with the MCCG's recommended practice. To assist shareholders in their decision, the write-up of the above Director is set out in the Profile of Directors included in this Annual Report.

## (iii) Independent Directors beyond 12 years

Mr Cheong Wong Sang is the Senior Independent Director of the Company who has been serving the Board as Independent Director since 2001. Mr Cheong is the Chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee respectively.

Dato' Hazli bin Ibrahim is an Independent Director of the Company who has been serving the Board as Independent Director since 2008. Dato' Hazli is the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee respectively.

Following the annual assessment, the Board (with Mr Cheong Wong Sang and Dato' Hazli bin Ibrahim had abstained from the relevant deliberation and decision making) satisfied with Mr Cheong Wong Sang and Dato' Hazli bin Ibrahim in terms of their character, experience, integrity, competence and time commitment for the Board and Board Committees given that these Independent Directors:

- possess sufficient self-esteem and confidence to stand up for an independent point of view;

# Corporate Governance Overview Statement

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- approach any transaction that requires the Board’s approval with a watchful eye and an inquiring mind or professional scepticism;
- are unafraid to express an unpopular stance on issues or express disagreement on matters and actively pursue them with the rest of the Board and with the management team; and
- raise questions during Board deliberation and are willing to delve deeper if the responses provided are not satisfactory.

Premised on the above, the Board concurred with the Nomination Committee (with the Directors concerned had abstained from the deliberation and decision making) and proposed to retain the relevant Independent Directors, subject to the shareholders’ approval at the 53<sup>rd</sup> AGM, to be passed as ordinary resolutions in accordance with Section 291 of the Companies Act. To assist shareholders in their decision, the write-up of the above Directors is set out in the Profile of Directors included in this Annual Report.

## Explanation for departure from Practice 4.2 and alternative practices adopted

The Listing Requirements set out that the Company shall explain if there is any departure from any best practices recommended by the MCCG and shall disclose any alternative practice adopted to achieve the relevant intended outcome as per the MCCG.

Practice 4.2 of the MCCG is recommended as the best practice to achieve the Intended Outcome 4.0 as follows:

### Practice 4.2

If the Board continues to retain the Independent Director after the 12<sup>th</sup> year, the Board should seek annual shareholders’ approval through a two-tier voting process.



### Intended Outcome 4.0

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

The Board take cognisance of the spirit and objective behind the best practice recommended in the MCCG. Often, the general perception is that the Independent Directors are beholden to the management and are therefore not capable of exercising independent judgement. However, the Board is also of the view that independence or objectivity is not necessary impaired over time, relatively, it may not be appropriate to determine the independence of a Director based on the tenure of service.

The Board (with the Independent Director concerned had abstained from the relevant deliberation and decision making) deliberated and provided below its justification for the departure from Practice 4.2 of the MCCG:

- There are no regulations or laws in Malaysia under which a long tenure would, by itself, prevent a Director from qualifying as independent. The relevance between independence or objectivity and tenure of service of Director is arguable.
- The Company observes Section 291 of the Companies Act that an ordinary resolution shall be passed at a general meeting, where under a poll voting, by the members representing more than half of the total voting rights of the members who are entitled to vote and do vote in person or by proxy on the resolution.

# Corporate Governance Overview Statement

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- A meaningful Board review shall move away from just a box-ticking exercise to a more representative reflection of the underlying value of a Director. The Board is able to evaluate, more appropriately, the Board decisions process and the independence of Directors by soliciting input or feedback from the peer Board members who have the first-hand observation of the performance of any particular Independent Director. Hence, the evaluation conducted by the Board is broader and more representative in a meaningful perspective.

In the absence of the first-hand observation of any particular Independent Director, the shareholders of the Company, to the contrary, might not be in a very good position in evaluating Directors' performance and independence or whether Board decisions are made objectively taking into account diverse perspectives and insights. Furthermore, a two tier voting process may not necessary achieve Intended Outcome 4.0 considering only the tenure of service in evaluating the independence or objectivity of a Director.

- The Board acknowledges the significant advantages gained from the Directors who possess valuable insights and knowledge of the Company's business affairs and operations. The long-serving Directors possess organisational memory, gain a deep understanding of the Group's businesses and offer historical context in Board discussions for consideration in corporate strategic decision making, consequently, the Board effectiveness will be enhanced. In this regard, any tenure limit of Directors, if set, may be detrimental to the Board, the Company and the shareholders given such limit forces valuable Independent Directors off the Board, together with a significant amount of experience that is difficult to source.

The Board has adopted alternative practices below instead which are appropriate and practical, in substance, with which the Intended Outcome 4.0 of the MCCG is deemed to have been achieved:

- DutaLand's Board comprises a majority of Independent Directors. The Board with the right mix of skills, experience and knowledge base with a broad background in business, finance and public service. Such Board composition ensures all Board decisions will be made objectively, taking into account diverse perspectives and insights, in the best interests of the Company.
- None of the Independent Directors holds shares in the Company, and hence there is no conflict of interests which may impair independence or objectivity of Directors.
- The Chairman of the Board is an Independent Director and the positions of Chairman and Managing Director are held by different individuals. The chair of Audit Committee is not the Chairman of the Board and the respective chairs of the Board Committees are being held by different Independent Directors.
- The Company ensures that all Independent Directors are independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or ability to act in the best interest of the Company.
- None of the Independent Directors of the Company has family relationship with peer Directors or substantial shareholders of the Company, and hence there is no conflict of interests which may impair independence or objectivity.
- All the Independent Directors of DutaLand have, vide the respective semi-annual confirmations provided to the Company, fulfilled the criteria of Independent Director as set out in the Listing Requirements. The Independent Directors shall notify the Board immediately of any changes in their circumstances or of any new interest or relationship that would affect their independence.
- The Board conducted a thorough annual assessment of all Independent Directors for FY2020 and satisfied that all Independent Directors remain independent and objective in the Board decision making process, despite their tenure of service. The Board also satisfied that the Company is well served by its Directors with good business judgement and may act in the best interest of the Company.

# Corporate Governance Overview Statement

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- The Board's evaluation of Director's independence is more relevant and meaningful as the Board works collectively as a team and that they are able to assess, directly and from a broader perspective, their peer Directors' performance, independence as well as the overall Board decision making process. The criteria used in the said assessment covers more than just the tenure of service, instead, the Board emphasises on the spirit, intention and overall purpose of the criteria used, including both subjective and objective ones.
- In procuring a complete, meaningful and representative assessment to evaluate the independence of Directors, the Board also considers all other relevant facts and circumstances, including the Director's contributions, knowledge, experience and competency which will benefit the Board and the Group's continued sustainability and growth. Each of the Independent Directors of the Company has demonstrated his conduct and behaviour that are essential indicators of independence.

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

### • **Corporate Disclosures**

The Company is committed to provide appropriate, transparent and timely disclosures to the shareholders and investing public for their assessment of the Group's businesses and prospects. All investors have equal access to the material information announced by the Company to Bursa Securities. In this respect, the Company had on 29 August 2012 adopted the Corporate Disclosure Guide issued by Bursa Securities as the Corporate Disclosure Policy for the Group that outlines the procedures and practices for disclosures of material information.

The Board ensures all disclosures are comprehensive, accurate and released on a timely basis as those are critical towards building corporate credibility and investor confidence. In addition to various announcements made during the year, timely releasing of quarterly financial results also provided to the shareholders and investing public with an overview of the Group's performance and operations.

Notwithstanding the above, the Board is always mindful that, in providing a channel for the investing public to procure an up-to-date information on the activities of the Group, the Company must, pursuant to the Listing Requirements, also ensure that no disclosure of material information will be made on an individual or selective basis to any analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed to Bursa Securities.

### • **Website**

To promote accessibility of information to all market participants, the corporate website of the Company at [www.dutaland.com.my](http://www.dutaland.com.my) provides an avenue for shareholders and the investing public for disclosures of the Company after releasing to Bursa Securities.

All disclosures on the Company's website are clearly presented and easily accessible, amongst others, the Company's Annual Reports, quarterly and annual financial results, notices of meetings, circulars to shareholders, reporting on corporate governance, the Board Charter, relevant policies and terms of reference of Board Committees and all other announcements released to Bursa Securities.

Shareholders and investing public may send their queries or requests to the email address at [dutaland@dutaland.com.my](mailto:dutaland@dutaland.com.my), accordingly, the Company Secretaries will attend to.

# Corporate Governance Overview Statement

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- **Annual Reports**

The Company's Annual Reports provide to shareholders with the information on financial performance, business activities, corporate governance, sustainability, risk management and internal control system, amongst others. Apart from complying with the Listing Requirements and taking into consideration the recommended best practices in the MCCG, the Group also strives to enhance the contents of the Annual Report attributable to the development in governance and sustainability initiatives and practices. The latest Annual Report was delivered to all shareholders of the Company, by electronic means (through publication on the website) as per the Listing Requirements, together with the notice of AGM at least 28 days before the AGM day as recommended by the MCCG. A hard copy of Annual Reports or other relevant documents, upon request, will be sent to the shareholder as soon as reasonably practicable after the receipt of the request, free of charge.

- **Investor Relations**

The Company may conduct investor relations meetings or dialogues on the performance of the Group. The Group Managing Director and the Executive Director are available for such meetings. Any queries or issues regarding the Company and the Group may be conveyed to the Group Managing Director.

- **Annual General Meetings**

An AGM is the principal platform for communication and interaction between the Board and the shareholders. The Board encourages shareholders' participation in the proceedings and the question-and-answer session during the AGM. The Chairman of the AGM, the Group Managing Director or the Executive Director attended to the questions, issues and concerns raised, facilitating shareholders to make informed decisions. External auditors were invited to the AGM of the Company to advise the shareholders on their professional and independent view in respect of the statutory audit. Relevant advisers will be invited to general meetings to advise the shareholders on corporate proposals, if any. When necessary, a press conference may be held immediately after AGMs for permissible disclosures without undisclosed material information.

Pursuant to the Listing Requirements, the Company shall put forward all proposed shareholders' resolutions in general meetings including AGMs to be voted by poll. The votes cast at general meetings will be verified by independent scrutineers. In event an independent scrutineer is interested in resolutions to be passed at general meetings, the scrutineer concerned shall refrain from acting as the scrutineer for the particular resolution.

The Company, if considered appropriate, will consider leveraging on the technology to enable remote shareholders' participation at general meetings including AGMs as well as voting in absentia that allows shareholders exercising their voting rights without being physically present at the general meeting.

- **Financial Reporting**

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of the affairs of the Company and the Group.

During FY2020, the Audit Committee reviewed the financial statements and quarterly reports in compliance with the applicable financial reporting standards. The Board approved the quarterly reports and the consolidated financial statements for FY2020 before released them to Bursa Securities and/or shareholders.

# Corporate Governance Overview Statement

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- **Relationship with Auditors**

The Board, through the Audit Committee, maintained a formal and professional relationship with both the internal and external auditors. The Audit Committee reviewed and discussed with the external auditors any issues arising from the interim and final audits, audit plans, audit findings and other matters of concern. The Audit Committee had established a formal mechanism for frank and candid dialogue with the external auditors. The Audit Committee members met with the external auditors thrice in FY2020 without the presence of the Executive Director and management. The external auditors confirmed that they had been independent throughout the audit engagement for FY2020.

The Audit Committee had, as supported by the General Manager, Group Finance, conducted an annual assessment of the external auditors on their suitability, independence, objectivity and professionalism. The Audit Committee satisfied with the external auditors' technical competency, execution of audit plan, reporting and overall performance, and hence recommended the re-appointment of the existing external auditors, on which the Board had endorsed for shareholders' approval at the forthcoming AGM.

- **Audit Fees and Non-Audit Fees**

The audit fees and non-audit fees paid or payable to the external auditors for FY2020 are as follows:

Nature of fees	Amount incurred on the Group basis (RM)	Amount incurred by the Company (RM)
Audit fees	416,000	110,000
Non-audit fees	10,000	10,000

Having considered the nature and scope of the non-audit fees, the Audit Committee satisfied that these fees were not likely to create any conflict or impair independence and objectivity of the external auditors. The breakdown detailing the audit fees and the non-audit fees is further disclosed in the Notes to the Financial Statements in this Annual Report.

- **Risk Management and Internal Controls**

The Board maintains a sound risk management framework and internal control system to safeguard the Group's assets and shareholders' investment. An overview of the state of risk management and internal controls of the Group is set out in the Statement on Risk Management and Internal Control included in this Annual Report.

- **Whistle-Blowing Policy**

The Company adopted the Whistle-Blowing Policy for the Group on 29 August 2012 following the introduction of the Whistleblower Protection Act 2010 to enhance the coverage and protection to whistle-blowers. This policy encompasses reports of suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/ or abuse involving the Group's resources. It is aimed at encouraging employees' reporting, in good faith, of matters on suspected and known misconduct, wrongdoings, corruption and instances of fraud, waste or abuse that involve the Group's resources. Reporting employees, if any, shall be protected from any reprisal. The Whistle-Blowing Policy is available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

- **Anti-Corruption and Bribery Policy**

The Company adopted the Anti-Corruption and Bribery Policy and Procedures for the Group on 1 June 2020 following the introduction of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, aimed to provide information and guidance to the Directors, employees and business associates on anti-bribery and corruption to which they must adhere to, in discharging their duties. Directors and staff should not do anything to bypass the standard operating procedures applicable to the respective business units. The Anti-Corruption and Bribery Policy is available on the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).

# Corporate Governance Overview Statement

(continued)

## ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS

### • Variation in Results

There was no significant variation between the results for FY2020 and unaudited results previously released by the Company. The Company had not released or announced any estimated profit, financial forecast and projection for FY2020.

### • Employees' Share Option Scheme ("ESOS")

The Company does not have any ESOS.

### • Utilisation of Proceeds Raised from Corporate Proposal

Save as disclosed hereinbelow, there were no proceeds raised from the Company's corporate proposal.

The Company had announced to Bursa Securities on 17 May 2018 on the completion of the disposal of 42 parcels of plantation lands in Sabah measuring an aggregate land area of approximately 11,579.31 hectares by Pertama Land & Development Sdn Bhd, an ultimate wholly-owned subsidiary of the Company, to Boustead Rimba Nilai Sdn Bhd, a wholly-owned subsidiary of Boustead Plantations Berhad, for a total cash consideration of RM750,000,000 ("Disposal") in accordance with the sale and purchase agreement dated 30 October 2017.

As at 15 September 2020, the proceeds raised from the Disposal were utilised in the following manner as compared to the disclosure in the circular to shareholders of the Company dated 28 March 2018:

Purpose	Intended timeframe for utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Balance (RM'000)
To fund the acquisition of new businesses and/or assets	Within 30 months from receipt of the proceeds from the Disposal	188,000	8,481	179,519
To fund the Company's existing businesses	Within 36 months from receipt of the proceeds from the Disposal	430,000	93,694	336,306
Dividend distribution	Within 12 months from receipt of the proceeds from the Disposal	85,000	85,000	-
Estimated expenses in relation to the Disposal	Immediately upon completion of the Disposal	47,000	47,000	-
<b>Total</b>		<b>750,000</b>	<b>234,175</b>	<b>515,825</b>

### • Material Contract

Save as disclosed below, neither the Company nor its subsidiaries had entered into any material contract, which involves interests of Directors and/or major shareholders, which is still subsisting at the end of FY2020:

- (i) A consortium agreement dated 14 February 2003 entered into between KH Estates Sdn Bhd, a wholly-owned subsidiary of DutaLand and Olympia Properties Sdn Bhd, a wholly-owned subsidiary of Olympia Industries Berhad ("OIB"), pertaining to the proposed joint development of the lands situated at Mukim Batu, District of Kuala Lumpur, State of Wilayah Persekutuan, measuring approximately 41.14 acres and 32.3 acres.

Tan Sri Dato' Yap Yong Seong, Dato' Sri Yap Wee Keat and Mr Yap Wee Chun are Directors of DutaLand and major shareholders of DutaLand and OIB. Tan Sri Dato' Yap Yong Seong and Dato' Sri Yap Wee Keat are also common Directors of DutaLand and OIB.

# Corporate Governance Overview Statement

(continued)

## • Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPTs”)

The Company had, at the last AGM held on 31 October 2019, obtained a shareholders’ mandate (“Mandate”) for the Group to enter into the RRPTs as stated in the circular to shareholders dated 2 October 2019 (“Circular”). This Mandate shall expire at the conclusion of 53<sup>rd</sup> AGM.

As at the last practicable date, none of the RRPTs transacted, during the validity period of the Mandate, where the actual value of which is more than the estimated value as more particularly disclosed below:

Nature of RRPTs	Transacting companies with whom the Group transacts	Interested related parties	Actual amount transacted during FY2020 (RM’000)	Amount estimated when the Mandate is in force (RM’000)
Rental of office premises, including parking space, at Menara Olympia from DMRR #	Dairy Maid Resort & Recreation Sdn Bhd (“DMRR”) (a)	<b>Directors</b> TSDYYS (1) DSYWK (2) YWC (3)	749	1,200
Provision of financial assistance to DGH to meet its preliminary costs including but not limited to consultants fees, other professional fees and pre-operational costs such as insurance, quit rents, assessments, staff costs, security services, for upkeep and maintenance relating to the DGH Project	Duta Grand Hotels Sdn Bhd (“DGH”) (b)	<b>Major Shareholders</b> TSDYYS (1) DSYWK (2) YWC (3) PSDLLN (4) KHD (5) DESB (6)	5,157	10,000
Provision of corporate guarantee to DGH’s contractors and sub-contractors which is necessary to carry out and complete the DGH Project			Nil	5,000

### Notes:

- # Rental of office premises at Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur from DMRR, including parking space and provision of related/administrative facilities such as maintenance of the premises and properties, if required, for a term of not more than 3 years with rental payable on a monthly basis.
- (a) DMRR is a wholly-owned subsidiary of Olympia Industries Berhad (“OIB”) and its principal activities are property investment and letting of properties. TSDYYS, PSDLLN, DSYWK and YWC are major shareholders of DutaLand and OIB through shares held by KHD and DESB.
- (b) DGH is a 76% owned subsidiary of DutaLand with the remaining 24% equity interest held by Duta Credit Sdn Bhd (“DCSB”) and its principal activity is property investment. TSDYYS and PSDLLN are major shareholders of DCSB. TSDYYS, PSDLLN, DSYWK and YWC are major shareholders of DutaLand and OIB through shares held by KHD and DESB. TSDYYS and YWC are directors of DutaLand, DGH and DCSB. DSYWK and YWC are directors of DGH.
- (1) Tan Sri Dato’ Yap Yong Seong (“TSDYYS”) is the Group Managing Director of DutaLand Group and OIB Group and also a major shareholder of DutaLand and OIB by virtue of his direct and indirect interests held therein. He is the spouse of PSDLLN and the father of DSYWK and YWC.
- (2) Dato’ Sri Yap Wee Keat (“DSYWK”) is a Director of DutaLand Group and OIB Group and also a major shareholder of DutaLand and OIB by virtue of his direct and indirect interests held therein. He is a son of TSDYYS and PSDLLN, and a brother of YWC.
- (3) Yap Wee Chun (“YWC”) is a Director of DutaLand Group and also a major shareholder of DutaLand and OIB by virtue of his direct and/or indirect interests held therein. He is a son of TSDYYS and PSDLLN, and a brother of DSYWK.
- (4) Puan Sri Datin Leong Li Nar (“PSDLLN”) is a major shareholder of DutaLand and OIB by virtue of her indirect interests held therein. She is the spouse of TSDYYS and the mother of DSYWK and YWC.
- (5) Kenny Height Developments Sdn Bhd (“KHD”) is a major shareholder of DutaLand and OIB, and a Person Connected with TSDYYS and PSDLLN, by virtue of their direct interests held in KHD.
- (6) Duta Equities Sdn Bhd (“DESB”) is a major shareholder of DutaLand and OIB, and a Person Connected with TSDYYS and PSDLLN by virtue of their direct interests held in DESB.

This Corporate Governance Overview Statement has been approved by the Board of DutaLand Berhad on 30 September 2020.

# Audit Committee Report

The Audit Committee was established by the Board of Directors (“Board”) of DutaLand Berhad (“the Company”) on 20 June 1994 with the primary objective to assist the Board in discharging its duties pertaining to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries (“Group”). The specific responsibilities of the Audit Committee are set out in its terms of reference that is made available on the Company’s website at [www.dutaland.com.my](http://www.dutaland.com.my).

## COMPOSITION AND MEETINGS

All members of the Audit Committee are financially literate and have extensive experience in various businesses, management and finance. The Audit Committee consists of three Independent Non-Executive Directors. Dato’ Hazli bin Ibrahim (Chairman of the Audit Committee) is a fellow member of the Association of Chartered Certified Accountants (ACCA); Mr Cheong Wong Sang (member of the Audit Committee) is a Certified Public Accountant (CPA) and a Certified Management Accountant (CMA) by profession; and Dato’ Abdul Majit bin Ahmad Khan (member of the Audit Committee) is presently the Chairman of the Malaysian Investment Development Authority (MIDA).

During the financial year ended 30 June 2020, five Audit Committee meetings were held, where the General Manager, Group Finance and the Head of Internal Audit also attended thereat by invitation. The attendance of the Audit Committee members during the financial year under review is as follows:

Audit Committee	Designation	Number of Audit Committee meetings attended
Dato’ Hazli bin Ibrahim (Chairman)	Independent Director	5/5
Dato’ Abdul Majit bin Ahmad Khan (Member)	Independent Director	3/5
Mr Cheong Wong Sang (Member)	Senior Independent Director	5/5

The external auditors attended at three Audit Committee meetings held during the financial year under review. The meeting between the Audit Committee and the external auditors, without presence of any Executive Director and the management of the Company, held three times during the financial year under review to discuss the audit feedback, among others.

There were no restrictions of resources or information to the Audit Committee that would have impaired the effective execution of its responsibilities. To keep abreast of issues which the Audit Committee concerns, the Chairman of the Audit Committee has been in continuous contact with the Chairman of the Board, the Group Managing Director, the Head of Group Finance, the Head of Internal Audit, other senior management and the external auditors of the Company.

## SUMMARY OF THE WORK OF AUDIT COMMITTEE

The principal activities performed by the Audit Committee in discharging its functions and duties, in line with its terms of reference, during the financial year under review are summarised as follows.

### (i) Financial Reporting

- The Audit Committee met quarterly, with due notice served on the issues to be reviewed or discussed, the deliberations and conclusions of which were properly recorded.
- Discussed and endorsed that the audit time frame and reporting deadlines were reasonable and achievable in ensuring that the standard of audit quality would not be compromised.
- Kept abreast of the progress of the audit and urged the management to provide adequate information to the external auditors in a timely manner for meeting the reporting timeline.

# Audit Committee Report

(continued)

- Reviewed, analysed and deliberated on the annual audited financial statements and quarterly interim results of the Company and the Group, before recommended the same to the Board for consideration and approval.
- Ensured that the financial statements were prepared in a timely and accurate manner in compliance with the applicable accounting, regulatory requirements and financial reporting standards which would be integral to the reliability of the financial statements.
- Monitored potential disruptions in the usual flow of information from the subsidiaries or associated companies of the Group and prompted the management to communicate timely with the external auditors on the impact to the financial reporting process.
- Conducted proper assessment to ensure adequate disclosures by the management in respect of any material uncertainties arising from the going concern assumptions used by the management in preparation of the audited financial statements, so that the external auditor would obtain sufficient appropriate audit evidence in concurring with the management's assumption.

## (ii) Internal Auditors

- Monitored and managed the Internal Audit functions, for which the Head of Internal Audit reported directly to the Audit Committee, had direct access to the Audit Committee Chairman. The Head of Internal Audit also attended at the Audit Committee meetings upon invitation.
- Reviewed and endorsed on the competency, adequacy of resources, audit scope, and annual planning of the Internal Audit department.
- Considered and endorsed on the remit of the Internal Audit function to ensure the Internal Audit was independent of the activities they audited and performed with impartiality, proficiency and due professional care.
- Reviewed and examined the work of the Internal Audit and reports, audit findings as well as monitored the implementation of recommendations.
- Commissioned investigations conducted by the Internal Audit department.
- Reviewed operational, financial and compliance audits.
- Monitored the corrective actions which were taken on the outstanding audit issues to ensure all key risks and control lapses were addressed.
- Assessed the performance of the Internal Audit function for continuous improvement purposes as the Internal Audit conducted the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group.

## (iii) External Auditors

- Reviewed and deliberated on the results of the interim and final audit which were presented by the external auditors at the Audit Committee meetings.
- Reviewed the audit scope and annual planning, as well as the reports prepared by the external auditors, their evaluation of the system of internal controls and monitored the implementation of recommendations.
- Three private sessions with the external auditors had been held, without presence of any Executive Directors and the management, attributable to greater exchange of free and honest views and opinions between the Audit Committee and the external auditors.

# Audit Committee Report

(continued)

- Worked closely with senior management and external and internal auditors to ensure an early warning system in place and kept abreast of the issues affecting the Company which ought to be brought to the attention of the Audit Committee in a timely manner, as part of the governance processes and Audit Committee's oversight of the Group's systems of financial reporting and internal controls.
- Directed the collaboration between the internal auditors and the external auditors on key areas that could result in increased leverage by the Group's external auditors.
- Obtained a written assurance from the external auditors, in supporting the assessment on its independence, confirming that the external auditors had been independent throughout the conduct of the audit engagement for the financial year under review in accordance with the terms of all relevant professional and regulatory requirements.
- Implemented an appropriate external auditors policy, following the Board's approval, where the Company was guided that, amongst others, any former key audit partner would serve a cooling-off period of at least two years before being appointed as a member of the Audit Committee, as the case may be.
- Ensured adherence to the policy and procedures in assessing suitability, objectivity and independence of the external auditor and governed the relationship with the external auditors whilst ensured independence of auditors would not be compromised.
- Assessed the suitability, objectivity and independence of the external auditors, intended to lend credibility to financial reports and reduce risks that those reports were biased, misleading, inaccurate or incomplete, given that the external auditors should provide opinions of the truth and fairness of the financial position of the Company.
- Proposed to the Board the re-appointment and remuneration of the external auditors, and reviewed the terms and scope of the audit engagement.
- Ensured that the proper policies or procedures were adhered to for non-audit services as the independence of external auditors could be impaired by non-audit services.
- Focused on significant judgements made by the management in assessing whether there was any impairment of assets and going concern status of the Company when discharging the Audit Committee's functions to review the financial statements.
- Assessed and communicated promptly with the internal and external auditors any issues concerning risk management processes and internal control systems that could have an impact to the financial reporting function of the Company.
- Discussed with the external auditors the draft key audit matters in respect of the financial statements of the Company and of the Group to ensure that the issues that were most significant in the audit, if deemed appropriate, would be disclosed and addressed.

## **(iv) Risk Management**

- Reviewed the half yearly risk management reports during the financial year under review inputted by the respective business unit heads and monitored the implementation of control plans by the Internal Audit.

## **(v) Quality Assurance Review**

- Reviewed and provided feedback to the Internal Audit's Quality Assurance Review, applied in which the relevant International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA) where the Internal Audit team had adhered thereto.

# Audit Committee Report

(continued)

## (vi) Related Party Transactions

- Reviewed the related party transactions of the Group and ensured all transactions entered into on terms which were fair and reasonable and not to the detriment of the minority shareholders of the Company.

## (vii) Corporate Governance

- Reviewed relevant Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance pertaining to corporate governance and made relevant recommendations to the Board.

## (viii) Training

- All members of the Audit Committee had attended various seminars, training programmes and conferences during the financial year under review.

Save as disclosed, the Audit Committee is of the view that no material misstatements or losses, contingencies or uncertainties have arisen, based on the reviews made and discussions held.

## INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the Internal Audit department in discharging its duties and responsibilities. The Internal Audit department reports directly to the Audit Committee and conducts independent assessments of the Group's internal controls, risk management and governance processes.

The objective, authority and responsibility of the Internal Audit department as well as the nature of consultancy activities provided by the function are set out in the Internal Audit Charter, endorsed by the Audit Committee and approved by the Board. The Internal Audit Charter ensures the appropriate structure, scope of activities, access and reporting arrangements are in place as well as an independent and objective assurance on risk management, internal controls and governance procedures within the Company and the Group.

The Internal Audit team functions independently of the activities it audits and carries out its work according to the standards set by professional bodies, primarily consistent with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA).

The Internal Audit department adopts a risk-based auditing approach, focussing on risk areas and past audit findings of audit assignments. The prime objective of the Internal Audit function is to ensure a sound internal control system is in place and functioning adequately. This is achieved through regular and systematic reviews of internal control systems and management information systems, to ensure the reliability and integrity of information in complying with applicable policies, plans, procedures and regulations.

The Audit Committee reviews and approves the annual audit plan and manpower requirements, prior to the commencement of audits, at the first Audit Committee meeting of the financial year. The audit approach is to focus on high risk business processes and to assess the effectiveness of internal controls that of.

The Internal Audit scope of coverage for the financial year under review encompassed the audit of key processes and operations of all active subsidiaries as identified in the annual audit plan. Audit activities are aimed to ensure the risk management procedures are in adherence with, and principal risks are identified by the management as well as appropriate controls are in place to manage these risks.

The Internal Audit will conduct periodical risk assessments for corruption to identify, assess and mitigate any corruption risks that the Group may expose to. A corruption risk assessment forms the basis of the Company's anti-corruption effort in protecting the Company from relevant threats arising from the weakness in the internal control system.

The Internal Audit department receives appropriate support, trainings and resources. This has benefited the audits and audit coverage and increased leverage through knowledge and best practices. All auditors have an audit background. The Internal Audit department incurred costs of RM201,707 during the financial year ended 30 June 2020 (2019: RM198,300).

# Audit Committee Report

(continued)

## SUMMARY OF THE WORK OF INTERNAL AUDIT

A summary of the work of the Internal Audit department carried out during the financial year under review encompasses the following:

- (i) The Internal Audit covered the audit of the property division and related party transactions.
- (ii) Played an active advisory role in the review and improvement of the existing system of internal controls of the Group initiating an effort to provide value added services.
- (iii) Audits covered mainly on the review of the following:
  - accuracy of financial reporting;
  - effectiveness and efficiency of operations;
  - adequacy of internal control systems;
  - compliance with internal policies, procedures, rules and regulation; and
  - effectiveness of risk management processes and implementation of controls by the management to mitigate significant risks.
- (iv) Ad hoc consulting and reviews.
- (v) The Internal Audit department reported to the Audit Committee on the audit findings. Control plans to mitigate risks identified and recommended corrective actions were discussed with senior management to ensure a sound internal control system is in place and functioning adequately.
- (vi) Conducted a review on the adequacy of the policy in relation to the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and advised on the gaps that needed to be put in place before the effective date.

This Audit Committee Report has been approved by the Board of DutaLand Berhad on 30 September 2020.

# Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control (“Statement”) by the Board of Directors (“Board”) of DutaLand Berhad (“DutaLand”) is made in respect of the financial year ended 30 June 2020 pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

## BOARD’S RESPONSIBILITIES

The Board of DutaLand acknowledges its overall responsibility in establishing and maintaining a sound risk management and internal control system for the DutaLand Group (“Group”) as well as a sound framework to manage risks. The Board takes cognizance of the importance of reviewing the adequacy and integrity of the risk management and internal control system periodically to safeguard the stakeholders’ interests and the Group’s assets.

The risk management and internal control system of the Group is designed to manage rather than eliminate the risk of failure in achieving the Group’s corporate objectives, and the system may only provide reasonable but not absolute assurance against any material misstatement or loss.

## RISK MANAGEMENT PROCESS

The Board has formally endorsed an on-going risk management and internal control framework which includes the following key elements:

- the guiding principles of the risk management framework;
- the underlying approach to risk management;
- the roles and responsibilities of the Board and the management;
- the underlying approach in reviewing and monitoring any significant risks; and
- regular review on the effectiveness and efficiency of the internal control procedures and processes.

The risk management and internal control framework is applied continuously throughout the financial year to determine, evaluate and manage significant risks of the Group. This is further assured by the implementation of an internal control and risk management system that has been integrated in the Group’s operations and working culture. Therefore, any significant risks arising from factors within the Group and from changes in the business environment can be addressed on a timely basis.

The key aspects of the risk management process including the following:

- Risks are identified by each key business unit assessing the likelihood and impacts of the occurrence of risks which are evaluated and rated as ‘Low’, ‘Medium-Low’, ‘Medium’, ‘High-Medium’ or ‘High’. The level of residual risk is determined after identifying and evaluating the effectiveness of existing controls or mitigating measures.
- Heads of the respective business units undertake to update their risk profiles on a half yearly basis.
- The risk profiles, control procedures and status of the action plans are reviewed on a regular basis by the respective Heads of business unit.
- Heads of business unit are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans.
- Risk management report summarising the significant risks and/or the status of action plans of the respective business units is presented to the Audit Committee (“AC”) for its review, deliberation and recommendation for the endorsement or approval of the Board.

# Statement on Risk Management and Internal Control (continued)

The significant risk identified during the financial year under review include:

## **Property Development**

- **Soft property market**

The property business of the Group is dependent on the overall performance of the property market in the country which are largely affected by economic and political factors. The soft property market is mainly due to the tight credit control policies adopted by financial institutions on approval of housing loan, property market sentiment, oversupply, increasing market competition, affordability issues, consumers remain cautious on spending due to slow economy and Covid-19 pandemic. The management closely monitors the development and changes in the property market for future developments.

## **Crude Palm Oil (CPO) Trading**

- **Credit risk**

Inability to recover debts in a timely manner may adversely affect the Group's cash flow and funding.

The Group minimises the exposure with the following measures:

- trades with recognised and creditworthy customers;
- close monitoring of overdue debts and collections; and
- maintains sufficient levels of cash to meet its working capital requirements.

## **INTERNAL AUDIT FUNCTION**

The AC evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. Observations from these audits, especially on areas where material internal control deficiencies or lapses have been noted, are presented together with Management's proposed action plans and implementation timelines, to the AC for its review. The internal audit function also follows up and reports to the AC on the status of implementation of the action plans by management.

Further details of the activities of the Internal Audit function are set out in the Audit Committee Report included in this Annual Report.

## **INTERNAL CONTROL PROCESS**

Other key features of the Group's internal control system include the following:

- **Board/Board Committees**

Board Committees (AC, Remuneration Committee and Nomination Committee) have been established to carry out their duties and responsibilities delegated by the Board and are governed by the respective written terms of references.

The AC regularly reviews and scrutinises the audit reports prepared by the Internal Audit Department ("IA") and conducts annual assessment on the adequacy of the IA's scope of work and resources.

The Board and the AC meet quarterly and have set a schedule of matters which is required to be brought to the attention of the Board and/or the AC for discussion to ensure full and effective supervision over appropriate controls. In addition, the Group Managing Director provides explanation to the Board on pertinent issues. The Board is kept updated on the Group's activities and its operations on a regular basis.

# Statement on Risk Management and Internal Control (continued)

- **Organisation Structure and Authorisation Procedure**

An organisation structure with the defined lines of responsibility and appropriate reporting structure including proper approval and authorisation limits for approving capital expenditure and expenses within the Group.

- **Policy and Procedure**

Internal policies and procedures are documented through a series of manuals for all major operations of the Group. The authorisation procedures for key processes are stated in the Group's policies and procedures.

- **Human Resource Policy**

Guidelines on human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees who possess the necessary knowledge, skill and experience in carrying out their duties and responsibilities as assigned.

## MONITORING PROCESS

Given the Group Managing Director and Executive Director are directly involved in day-to-day operations of the Group, they will conduct regular reviews of operational and financial data.

The AC has full and direct access to the Head of IA and receives reports on all audits the IA conducted. The IA continues to independently and objectively monitor the compliance with regard to the policies and procedures, and the effectiveness of the internal control system. Significant findings and recommendations for improvement are highlighted to the AC and management, with periodic follow-up of the implementation of action plans. The management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the findings as reported by the IA during the financial year ended 30 June 2020, some weaknesses in the internal controls were identified and measures have been or are being taken to address these weaknesses. None of these weaknesses has resulted in any material losses, contingencies or uncertainties that would require disclosure in DutaLand's Annual Report.

## CONCLUSION

The risk management and internal control system of the Group, comprising the respective frameworks, procedures, management processes, monitoring processes described in this statement, is considered appropriate. While the Board acknowledges that the risk management and internal control system does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that might result in poor judgment, a written assurance was received from the Group Managing Director, the Executive Director and the General Manager, Group Finance that the risk management and internal control system of the Group is operating adequately and effectively.

The Group continues to take measures to enhance and strengthen the risk management and internal controls environment.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. The external auditors' limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. The AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement has been approved by the Board of DutaLand Berhad on 30 September 2020.

# Directors' Responsibility Statement

in respect of the preparation of the annual audited financial statements

The Directors of the Company are responsible:

- to take reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities;
- for the preparation of financial statements of the Group and of the Company that give a true and fair view of the financial position of the Group and the Company as at the end of the financial year and of their financial performance and cash flows for the financial year, in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- 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; and
- assessing the Group's and the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

In preparing the annual audited financial statements for the financial year ended 30 June 2020, the Directors of the Company have:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are reasonable and prudent; and
- prepared the audited financial statements by using the going concern basis of accounting.

This Directors' Responsibility Statement is made in accordance with a resolution of the Board of Directors of DutaLand Berhad passed on 6 October 2020.

# Directors' Report and Audited Financial Statements

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# Directors' Report

The directors hereby present 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 activity of the Company is investment holding. Corporate information is disclosed in Note 1 to the financial statements.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

## Results

	Group RM'000	Company RM'000
(Loss)/profit for the year	(26,928)	14,094
Attributable to:		
Equity holders of the Company	(26,556)	14,094
Non-controlling interests	(372)	-
	<u>(26,928)</u>	<u>14,094</u>

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## Dividends

Subsequent to 30 June 2020, the Directors proposed a single-tier dividend of 1 sen per share amounting to RM8,461,180 in respect of the financial year ended 30 June 2020. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2021.

## 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:

Y.A.M. Tengku Datuk Seri Ahmad Shah  
Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah (Chairman)  
Tan Sri Dato' Yap Yong Seong (Group Managing Director)  
Yap Wee Chun (Executive Director)  
Dato' Sri Yap Wee Keat  
Dato' Hazli bin Ibrahim  
Dato' Abdul Majit bin Ahmad Khan  
Cheong Wong Sang

# Directors' Report

(continued)

## Directors (continued)

The names of the directors of the subsidiaries of the Group in office since the beginning of financial year to the date of this report (not including those directors listed above) are:

Ng Ju Siong  
 Cho Kah Hing  
 E. Ghazali bin Mohd Shafie  
 Tan Ming Ban  
 Yap Wee Sean  
 Wong Chiang Ying  
 Dato' Sri Wan Ahmad Najmuddin bin Mohd (appointed on 8 August 2019)  
 Tan Beng Teong (resigned on 26 August 2020)

## Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	2,715	703
Fees	240	240
Benefits-in-kind	94	51
	3,049	994

## Indemnities to directors or officers

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 director or officer of the Group and of the Company.

## Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year were as follows:

	-----Number of ordinary shares-----			
	1 July 2019	Acquired	Disposed	30 June 2020
<b>The Company</b>				
<b>Direct interest:</b>				
Tan Sri Dato' Yap Yong Seong	25,600	-	-	25,600
Dato' Sri Yap Wee Keat	100,000	-	-	100,000
Yap Wee Chun	28,200	-	-	28,200

# Directors' Report

(continued)

## Directors' interests (continued)

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year were as follows: (continued)

	-----Number of ordinary shares-----			
	1 July 2019	Acquired	Disposed	30 June 2020
<b>The Company</b>				
<b>Indirect interest*:</b>				
Tan Sri Dato' Yap Yong Seong	474,185,258	18,374,200	-	492,559,458
Dato' Sri Yap Wee Keat	474,185,258	18,374,200	-	492,559,458
Yap Wee Chun	474,185,258	18,374,200	-	492,559,458

\* Deemed interest through shares held by Duta Equities Sdn. Bhd., Kenny Height Developments Sdn. Bhd. and Olympia Industries Berhad.

By virtue of their interests in shares in the Company, Tan Sri Dato' Yap Yong Seong, Dato' Sri Yap Wee Keat and Yap Wee Chun are also deemed to be interested in the ordinary shares of all the subsidiaries of the Company to the extent the Company has an interest.

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

## Treasury shares

During the financial year, the Company repurchased 8,382,900 of its issued ordinary shares from the open market at an average price of RM0.36 per share. The total consideration paid for the repurchase including transaction costs was RM3,020,700. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

## Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment of receivables and satisfied themselves that there were no known bad debts and that adequate allowance had been made for impairment of receivables; and
  - to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- it necessary to write off any bad debts or the amount of the allowance for impairment of receivables in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## Other statutory information (continued)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
  - (ii) 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 the operations of the Group or of the Company for the financial year in which this report is made.

## Significant event

In addition to the significant events disclosed elsewhere in this financial statements, details of other significant event is disclosed in Note 37 to the financial statements.

## Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office. Auditors' remuneration are disclosed below.

Auditors' remuneration for the year ended 30 June 2020 are as follows:

Auditors of the Company:

- statutory audit

Other auditors:

- statutory audit

Group RM'000	Company RM'000
411	110
5	-

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been paid to indemnify Ernst & Young PLT during or since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 October 2020.

Yap Wee Chun  
Director  
Kuala Lumpur, Malaysia

Tan Sri Dato' Yap Yong Seong  
Director

# Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Yap Wee Chun and Tan Sri Dato' Yap Yong Seong, being two of the directors of DutaLand Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 76 to 149 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 October 2020.

Yap Wee Chun  
Director

Tan Sri Dato' Yap Yong Seong  
Director

Kuala Lumpur, Malaysia

# Statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Wong Chiang Ying, being the officer primarily responsible for the financial management of DutaLand Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 76 to 149 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Wong Chiang Ying  
at Kuala Lumpur in Wilayah Persekutuan  
on 6 October 2020.

Wong Chiang Ying  
MIA No. 7133

Before me,

Mohan A.S. Maniam  
No. W710  
Commissioner for Oaths  
Kuala Lumpur

# Independent Auditors' Report

to the members of DutaLand Berhad

## Report on the audit of the financial statements

### **Opinion**

We have audited the financial statements of DutaLand Berhad and its subsidiaries, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and statements of 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 pages 76 to 149.

In our opinion, the accompanying financial statements of the Group and of the Company 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 audit opinion.

### **Independence and other ethical responsibilities**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

# Independent Auditors' Report

to the members of DutaLand Berhad (continued)

## **Key audit matters (continued)**

### **Key audit matters in respect of the financial statements of the Group**

#### **(i) Impairment assessment of property, plant and equipment**

The property, plant and equipment of the Group include a building under construction, where construction was suspended, indicating that the building under construction may be impaired.

As at 30 June 2020, the carrying value of the building under construction, including long term leasehold land and freehold land ("the Property"), was RM353,326,000, representing 26% of the Group's total assets. We considered this an area of audit focus as the assessment process is based on assumptions that are judgemental.

The Group had estimated the recoverable amount of the Property by engaging an independent valuer to determine the fair value less cost to sell of the Property and considered the current market impact of the COVID-19 pandemic in the valuation.

Our audit procedures, included amongst others, the following procedures:

- We had considered the objectivity, independence and expertise of the independent valuer engaged by the management;
- We had obtained an understanding of the valuation methodology adopted by the independent valuer in estimating the fair value of the Property and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as inputs to the valuation model;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data; and
- We evaluated the adequacy of the related disclosures in the financial statements.

#### **(ii) Valuation of investment properties**

As at 30 June 2020, the carrying value of the Group's investment properties carried at fair value amounted to RM42,800,000 representing 3% of the Group's total assets. The Group adopts the fair value model for its investment properties. The valuation of investment properties is significant to our audit due to the significant judgements associated with determining the fair value. The Group had engaged an independent valuer to determine the fair value of the investment properties at the reporting date.

Our audit procedures, included amongst others, the following procedures:

- We had considered the objectivity, independence and expertise of the independent valuer engaged by the management;
- We had obtained an understanding of the valuation methodology adopted by the independent valuer in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as inputs to the valuation model;
- We evaluated the reasonableness and relevance of key data inputs used in the valuation, including the recent market transactions of properties in similar location and condition; and
- We evaluated the adequacy of the related disclosures in the financial statements.

# Independent Auditors' Report

to the members of DutaLand Berhad (continued)

## ***Key audit matters (continued)***

### **Key audit matters in respect of the financial statements of the Group (continued)**

#### **(iii) Valuation of unquoted financial assets and derivative financial instruments held at fair value**

As at 30 June 2020, the carrying value of the Group's unquoted financial assets and derivative financial instruments amounted to RM27,212,000, representing 2% of the total assets. The valuation of the Group's unquoted financial assets and derivative financial instruments was a key area of audit focus due to the complexity involved in the valuation process.

Our audit procedures, included amongst others, the following procedures:

- We had obtained an understanding of the contractual terms of the unquoted financial assets and derivative financial instruments;
- We had reviewed that the accounting recognition and measurement for these unquoted financial assets and derivative financial instruments are consistent with the accounting standards and relevant disclosures have been made in the financial statements;
- We had obtained third party confirmation to corroborate the existence and measurement of the unquoted financial assets and derivative financial instruments; and
- We also involved our internal valuation expert to perform an independent valuation on the unquoted financial assets and derivative financial instruments.

#### ***Information other than the financial statements and auditors' report thereon***

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above 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, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

# Independent Auditors' Report

## to the members of DutaLand Berhad (continued)

### ***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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

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 skepticism throughout the audit. We also:

- 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

# Independent Auditors' Report

to the members of DutaLand Berhad (continued)

## ***Auditors' responsibilities for the audit of the financial statements (continued)***

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

## ***Report on other legal and regulatory requirements***

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 16 to the financial statements.

## ***Other matters***

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

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
6 October 2020

Lim Eng Hoe  
No. 03403/12/2020 J  
Chartered Accountant

# Statements of Comprehensive Income

For the financial year ended 30 June 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Continuing operations</b>					
Revenue	3	65,631	26,720	20,000	20,000
Cost of sales	4	(55,222)	(18,641)	-	-
Gross profit		10,409	8,079	20,000	20,000
Other income	5	19,195	13,873	16	245
Depreciation of property, plant and equipment and right-of-use assets		(2,448)	(2,241)	(423)	(31)
Staff costs	6	(9,490)	(7,219)	(4,038)	(3,924)
Other expenses		(44,493)	(9,750)	(1,431)	(5,759)
<b>(Loss)/profit from operations</b>	8	(26,827)	2,742	14,124	10,531
Finance expense	9	(676)	(148)	(45)	(2)
<b>(Loss)/profit before tax</b>		(27,503)	2,594	14,079	10,529
Income tax benefit/(expense)	10	575	(876)	15	(174)
<b>(Loss)/profit from continuing operations, net of tax</b>		(26,928)	1,718	14,094	10,355
<b>Discontinued operation</b>					
Profit from discontinued operation, net of tax	23	-	9,102	-	-
<b>(Loss)/profit representing total comprehensive (loss)/income for the year</b>		(26,928)	10,820	14,094	10,355
<b>Attributable to:</b>					
Equity holders of the Company		(26,556)	11,356	14,094	10,355
Non-controlling interests		(372)	(536)	-	-
		(26,928)	10,820	14,094	10,355
Profit per share attributable to equity holders of the Company (sen per share):					
Basic	11 (a)	(3.2)	1.4		
Diluted	11 (b)	(3.2)	1.4		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statements of Financial Position

As at 30 June 2020

Group	Note	2020 RM'000	2019 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	363,972	350,332
Right-of-use assets	13	5,464	-
Inventories	14	263,728	263,690
Investment properties	15	42,800	45,700
Trade and other receivables	17	34,123	32,090
		710,087	691,812
<b>Current assets</b>			
Inventories	14	60,478	60,871
Trade and other receivables	17	53,086	8,498
Contract assets	18	-	5,383
Biological assets	19	79	37
Tax recoverable		3,229	2,885
Financial assets	20	418,397	511,476
Derivative financial assets	21	2,383	-
Short term deposits	22	10,147	438
Cash and cash equivalents	22	79,264	73,398
		627,063	662,986
Non-current assets classified as held for sale	23	-	-
		627,063	662,986
Total assets		1,337,150	1,354,798

# Consolidated Statements of Financial Position

As at 30 June 2020 (continued)

Group (continued)	Note	2020 RM'000	2019 RM'000
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	24	423,059	423,059
Treasury shares	24	(3,021)	-
Exchange fluctuation reserve		(194)	-
Capital reserve	24	53,109	53,109
Retained profits	25	762,850	789,406
		1,235,803	1,265,574
Non-controlling interests		51,897	52,269
<b>Total equity</b>		<b>1,287,700</b>	<b>1,317,843</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	27	700	1,988
Trade and other payables	28	308	245
Lease liabilities	29	4,283	-
		5,291	2,233
<b>Current liabilities</b>			
Trade and other payables	28	40,444	34,333
Derivative financial liabilities	21	2,036	-
Lease liabilities	29	1,265	-
Tax payable		414	389
		44,159	34,722
Liabilities of non-current assets classified as held for sale	23	-	-
		44,159	34,722
<b>Total liabilities</b>		<b>49,450</b>	<b>36,955</b>
<b>Total equity and liabilities</b>		<b>1,337,150</b>	<b>1,354,798</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Financial Position

As at 30 June 2020

Company	Note	2020 RM'000	2019 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	193	233
Right-of-use assets	13	916	-
Investment in subsidiaries	16	334,121	334,121
Trade and other receivables	17	110,367	105,210
		445,597	439,564
<b>Current assets</b>			
Trade and other receivables	17	417,954	379,565
Short term deposits	22	147	143
Cash and cash equivalents	22	1,942	1,273
		420,043	380,981
<b>Total assets</b>		865,640	820,545
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	24	423,059	423,059
Treasury shares	24	(3,021)	-
Capital reserve	24	53,109	53,109
Retained profits	25	128,617	114,523
<b>Total equity</b>		601,764	590,691
<b>Non-current liability</b>			
Lease liabilities	29	572	-
<b>Current liabilities</b>			
Trade and other payables	28	262,941	229,796
Lease liabilities	29	363	-
Tax payable		-	58
		263,304	229,854
<b>Total liabilities</b>		263,876	229,854
<b>Total equity and liabilities</b>		865,640	820,545

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statements of Changes in Equity

For the financial year ended 30 June 2020

Group	Attributable to equity holders of the Company					Total shareholders' equity RM'000	Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000 (Note 24)	Treasury Shares RM'000 (Note 24)	Exchange Fluctuation RM'000	Capital reserve RM'000 (Note 24)	Retained profits RM'000 (Note 25)			
<b>At 1 July 2019</b>	423,059	-	-	53,109	789,406	1,265,574	52,269	1,317,843
Total comprehensive loss	-	-	-	-	(26,556)	(26,556)	(372)	(26,928)
Purchase of treasury shares	-	(3,021)	-	-	-	(3,021)	-	(3,021)
Currency translation difference	-	-	(194)	-	-	(194)	-	(194)
<b>At 30 June 2020</b>	423,059	(3,021)	(194)	53,109	762,850	1,235,803	51,897	1,287,700
<b>At 1 July 2018</b>	423,059	-	-	53,109	820,356	1,296,524	52,805	1,349,329
Total comprehensive income/(loss)	-	-	-	-	11,356	11,356	(536)	10,820
<b>Transaction with owners:</b>								
Dividends (Note 26)	-	-	-	-	(42,306)	(42,306)	-	(42,306)
<b>At 30 June 2019</b>	423,059	-	-	53,109	789,406	1,265,574	52,269	1,317,843

# Statements of Changes in Equity

For the financial year ended 30 June 2020

Company	Share capital RM'000 (Note 24)	Treasury Shares RM'000 (Note 24)	Capital reserve RM'000 (Note 24)	Retained profits RM'000 (Note 25)	Total equity RM'000
<b>At 1 July 2019</b>	423,059	-	53,109	114,523	590,691
Total comprehensive income for the year	-	-	-	14,094	14,094
Purchase of treasury shares	-	(3,021)	-	-	(3,021)
<b>At 30 June 2020</b>	423,059	(3,021)	53,109	128,617	601,764
<b>At 1 July 2018</b>	423,059	-	53,109	146,474	622,642
Total comprehensive income for the year	-	-	-	10,355	10,355
<b>Transaction with owners:</b>					
Dividends (Note 26)	-	-	-	(42,306)	(42,306)
<b>At 30 June 2019</b>	423,059	-	53,109	114,523	590,691

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Cash Flows

For the financial year ended 30 June 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash flows from operating activities</b>					
(Loss)/profit before tax from continuing operations		(27,503)	2,594	14,079	10,529
Profit before tax from discontinued operations		-	9,102	-	-
(Loss)/profit before tax, total		(27,503)	11,696	14,079	10,529
Adjustments for:					
Reversal of allowance for impairment of:					
- Trade receivables	5	(100)	(675)	-	-
- Other receivables, net	5, 8	(138)	(24)	-	-
Depreciation of property, plant and equipment	12	1,379	2,241	56	31
Depreciation of right-of-use assets	13	1,069	-	367	-
Gain on disposal of property, plant and equipment	5	(100)	(28)	-	-
Changes in fair value of:					
- investment properties	5, 8	2,900	(300)	-	-
- biological assets	8	(42)	14	-	-
- fair value through profit or loss	5	(325)	(607)	-	-
Interest expense	9	676	148	45	2
Interest income	5	(563)	(555)	(16)	(245)
Property, plant and equipment written off	8	2	22	-	-
Unrealised foreign exchange loss	8	-	60	-	-
Unrealised foreign exchange gain	5	(2,296)	(641)	-	-
Realised gain on financial assets	5	(323)	-	-	-
Unrealised loss on financial assets	8	9,912	-	-	-
Unrealised loss on derivatives	8	6,484	-	-	-
Realised loss on financial assets	8	7,352	-	-	-
Realised loss on derivatives	8	4,873	-	-	-
<b>Operating profit before working capital changes</b>		3,257	11,351	14,531	10,317
(Increase)/decrease in receivables		(50,620)	58,048	(44,829)	(17,144)
Decrease/(increase) in inventories		393	(17,467)	-	-
Decrease/(increase) in contract assets		5,383	(5,930)	-	-
Increase/(decrease) in payables		12,515	(14,573)	380	(331)
<b>Cash (used in)/generated from operations</b>		(29,072)	31,429	(29,918)	(7,158)
Tax paid, net		(1,032)	(1,834)	(43)	(609)
Interest paid		-	(2)	-	(2)
<b>Net cash flows (used in)/generated from operating activities</b>		(30,104)	29,593	(29,961)	(7,769)

# Statements of Cash Flows

For the financial year ended 30 June 2020 (continued)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Cash flows from investing activities</b>					
Proceeds from disposal of property, plant, and equipment		111	35	-	-
Purchase of property, plant and equipment	12	(15,032)	(724)	(16)	(243)
Loan from/(repayment to) subsidiaries		-	-	34,003	(478,223)
Addition of investment properties		-	(45,400)	-	-
Addition of land held for property development	14	(38)	(174)	-	-
Redemption/(purchase) of unit trust		172,341	(410,765)	-	-
Investment in financial instruments and derivatives		(107,582)	-	-	-
Interest received		563	555	16	245
<b>Net cash flows generated from/(used in) investing activities</b>		<b>50,363</b>	<b>(456,473)</b>	<b>34,003</b>	<b>(478,221)</b>
<b>Cash flows from financing activities</b>					
Dividend paid	26	-	(42,306)	-	(42,306)
Placement of fixed deposit		(9,709)	-	(4)	(9)
Withdrawal from fixed deposit		-	6	-	-
Repayment of lease liabilities		(793)	-	(303)	-
Repayment of borrowings		-	(3,314)	-	-
Interest paid relating to lease liabilities		(192)	-	(45)	-
Interest paid		(484)	(146)	-	-
Purchase of treasury shares		(3,021)	-	(3,021)	-
Drawdown of borrowings		-	308	-	-
<b>Net cash flows used in financing activities</b>		<b>(14,199)</b>	<b>(45,452)</b>	<b>(3,373)</b>	<b>(42,315)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,060</b>	<b>(472,332)</b>	<b>669</b>	<b>(528,305)</b>
<b>Effects of exchange rate changes</b>		<b>(194)</b>	<b>365</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>73,398</b>	<b>545,365</b>	<b>1,273</b>	<b>529,578</b>
<b>Cash and cash equivalents at end of year (Note 22)</b>		<b>79,264</b>	<b>73,398</b>	<b>1,942</b>	<b>1,273</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

30 June 2020

## 1. Corporate information

The Company is a public company limited by shares, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The principal place of business and registered office of the Company is located at Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are described in Note 16. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 6 October 2020.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These set of financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of Companies Act 2016 in Malaysia.

These set of financial statements have been prepared under the historical cost basis except when otherwise disclosed. Furthermore, these set of financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

As of 1 July 2019, the Group and the Company adopted new MFRS and amendments to MFRS (collectively referred to as “pronouncements”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) as described fully in Note 2.2.

### 2.2 Standards, amendments and interpretations issued that are effective

The Group and the Company adopted the following pronouncements for the first time for the financial year beginning on 1 July 2019:

#### Effective for financial periods beginning on or after 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendment to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendment to MFRS 3 and MFRS 11	Previously Held Interest in a Joint Operation (Annual Improvements to MFRSs 2015 - 2017 Cycle)
Amendments to MFRS 112	Income Taxes Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements MFRSs 2015 - 2017 Cycle)
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015 - 2017 Cycle)

The adoption and application of the above standards did not have any material impact to the financial statements of the Group and the Company, other than as disclosed below:

#### (i) MFRS 16 Leases

The Group and the Company applied MFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.2 Standards, amendments and interpretations issued that are effective (continued)

The adoption and application of the above standards did not have any material impact to the financial statements of the Group and the Company, other than as disclosed below: (continued)

#### (i) MFRS 16 Leases (continued)

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

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

The Group and the Company adopted MFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. The Group and the Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 July 2019. Instead, the Group and the Company applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application. The Group and the Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adopting MFRS 16 are, as follows:

	<b>Audited 1.7.2019 RM'000</b>	<b>MFRS 16 adjustments RM'000</b>	<b>After adoption of MFRS 16 RM'000</b>
<b>Group</b>			
<b>Statement of financial position</b>			
Right-of-use assets (Note 13)	-	6,527	6,527
Lease liabilities (Note 29)	-	6,527	6,527
<b>Company</b>			
<b>Statement of financial position</b>			
Right-of-use assets (Note 13)	-	1,283	1,283
Lease liabilities (Note 29)	-	1,283	1,283

The weighted average incremental borrowing rate as at 1 July 2019 for the Group and the Company are 4.23% and 4.14% respectively.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.2 Standards, amendments and interpretations issued that are effective (continued)

The adoption and application of the above standards did not have any material impact to the financial statements of the Group and the Company, other than as disclosed below: (continued)

#### (i) MFRS 16 Leases (continued)

Upon adoption of MFRS 16, the Group and the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group and the Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective approach method of adoption, the Group and the Company applied MFRS 16 at the date of initial application as if it had already been effective at the commencement date of existing lease contracts.

As at 1 July 2019:

- 'Right-of-use assets' were recognised and presented separately in the statement of financial position.
- 'Lease liabilities' were recognised and presented separately in the statement of financial position.

#### (ii) Amendments to MFRS 128 Long-term interests in Associates and Joint Ventures

The amendments clarify that an entity applies MFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in MFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying MFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying the standard.

### 2.3 Standards, amendments and interpretations issued but not yet effective

The standards, amendments to MFRSs and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

#### Effective for financial periods beginning on or after 1 January 2020:

Amendments to MFRS 3	Definition of Business
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest Rate Benchmark Reform
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 16	Leases (Annual Improvements to MFRSs 2018-2020 Cycle)
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.3 Standards, amendments and interpretations issued but not yet effective (continued)

#### Effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018-2020 Cycle)
Amendments to MFRS 3	Reference to the Conceptual Framework Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRSs 2018-2020 Cycle)
Amendments to MFRS 116	Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRSs 2018-2020 Cycle)

#### Effective for financial periods beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

#### Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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### 2.4 Basis of consolidation

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

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders of other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.4 Basis of consolidation (continued)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained profits. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interests in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets accrued and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

## 2. Summary of significant accounting policies (continued)

### 2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### 2.6 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the MFRS applicable to the particular assets, liabilities, revenues and expenses.

### 2.7 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

### 2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land are measured at cost less accumulated depreciation and accumulated impairment losses.

Other assets consist of office equipments, furnitures, fixtures, fittings, motor vehicles, computer equipments, renovation and road reserves.

Freehold land has unlimited useful life and therefore is not depreciated. The lease period for long term leasehold land is 99 years. Leasehold land is amortised on a straight line basis over the periods of the respective leases.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.8 Property, plant and equipment (continued)

Depreciation of other items is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Plant, machinery and equipment	5 years
Bearer plant	21 years, or the lease term, if shorter
Motor vehicle	5 years
Renovation	10 years

Building under construction is not depreciated as the asset is not yet available for use.

The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

### 2.9 Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are classified as current assets for bearer plant that are expected to be harvested and sold or used for production on a date not more than 4 weeks after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

### 2.10 Inventories

#### (i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle and hence, classified as non-current asset.

Land held for property development is transferred to property development costs (within current assets) when development work is to be undertaken and is expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, conversion fees and other relevant levies.

#### (ii) Property development costs

Property development costs comprise:

- Land cost for property development which have yet to be expensed off. Land cost is subsequently recognised as an expense based on stage of completion of the sold units.

## 2. Summary of significant accounting policies (continued)

### 2.10 Inventories (continued)

#### (ii) Property development costs (continued)

Property development costs comprise: (continued)

- Development cost of unsold units, that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Development cost of unsold units is subsequently recognised as an expense when the units are sold.
- Costs to obtain contract including sales commissions to agents and are subsequently recognised as an expense based on stage of completion of the sold units.

Net realisable value is the estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

#### (iii) Inventories of completed properties

Inventories of completed properties are stated at lower of cost (determined on the specific identification basis) and net realisable value ("NRV"). Cost includes costs associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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.

#### (iv) Crude palm oil

Inventories comprise crude palm oil measured at the lower of cost and net realisable value. The cost of inventories is measured based on first-in-first-out basis and includes expenditure incurred in acquiring the inventories, production costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

### 2.11 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at using the comparison method considering recent market transactions for similar properties in the same location. Valuations are performed by accredited independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Subsequent expenditure is included in the investment property's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are recognised in profit or loss during the financial period in which they are incurred.

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

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.12 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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

### 2.13 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

### 2.14 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.

## 2. Summary of significant accounting policies (continued)

### 2.14 Leases (continued)

#### Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. 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 (“ROU assets”)

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings	3 to 6 years
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If ownership of the leased asset 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.

The right-of-use assets are also subject to impairment in accordance with accounting policy set out in Note 2.13.

#### (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 a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are 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) or a change in the assessment of an option to purchase the underlying asset.

The Group's and the Company's lease liabilities are included in Note 29 Lease Liabilities.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.14 Leases (continued)

#### Group and Company as a lessee (continued)

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

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

#### Group as a lessor

As a lessor, the Group determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

#### Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

### 2.15 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

### 2.16 Financial assets

#### (i) Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

## 2. Summary of significant accounting policies (continued)

### 2.16 Financial assets (continued)

#### (i) Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interests (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group’s and the Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

#### (ii) Subsequent measurement

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

- (a) Financial assets at amortised cost (debt instruments);
- (b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- (c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- (d) Financial assets at fair value through profit or loss.

#### Financial assets at amortised cost

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- ii. 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Financial assets at fair value through profit or loss

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

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.16 Financial assets (continued)

#### (ii) Subsequent measurement (continued)

##### Financial assets at fair value through profit or loss (continued)

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- (a) the economic characteristics and risks are not closely related to the host;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) the hybrid contract is not measured at fair value through profit or loss.

#### (iii) Derecognition

A financial asset is derecognised when:

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

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

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

### 2.17 Impairment of financial assets

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

## 2. Summary of significant accounting policies (continued)

### 2.17 Impairment of financial assets (continued)

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

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.18 Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and payables.

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

The Group's and the Company's financial liabilities include trade and other payables and derivative financial instruments.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or losses on liabilities held for trading are recognised in the statement of profit or loss.

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

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.18 Financial liabilities (continued)

#### (ii) Subsequent measurement (continued)

##### Other financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

#### (iii) Derecognition

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

### 2.19 Derivative financial instruments

#### Initial recognition and subsequent measurement

The Group has derivative financial instruments, such as currency forwards, equity forwards, equity options and commodity futures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 2.20 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities or assets are not recognised in the statements of financial position of the Group.

### 2.22 Affiliates

The Group treats the subsidiaries of its former investment in Olympia Industries Berhad (“OIB”), a corporation in which certain directors of the Company are also directors of OIB and have interest in, as affiliates.

### 2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell. Any differences are included in the profit or loss.

While a non-current asset is classified as held for sale or while it is part of a disposal group classified as held for sale it should not be depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognised.

### 2.25 Current versus non-current classification

The Group and the Company present assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.25 Current versus non-current classification

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.26 Income taxes

#### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

#### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2. Summary of significant accounting policies (continued)

### 2.26 Income taxes (continued)

#### (ii) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 2.27 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.28 Employee benefits

#### (i) Short term benefits

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

#### (ii) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.29 Foreign currency

#### (i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economies environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in RM, which is also the Group’s and the Company’s functional currency.

#### (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to consolidated statement of comprehensive income on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

### 2.30 Financial guarantee contracts

As at reporting date, no values are placed on corporate guarantees provided by the Company to secure bank loans and other banking facilities granted to its subsidiaries where such loans and banking facilities are fully collateralised by fixed and floating charges over the property, plant and equipment and other assets of the subsidiaries and where the directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

## 2. Summary of significant accounting policies (continued)

### 2.31 Revenue and other income

#### (i) Sale of goods

Revenue from sale of goods is recognised at a point in time net of discounts and returns when control of the goods is transferred to the customer. A performance obligation is satisfied upon delivery of the goods to the customers as per the sale contract.

#### (ii) Revenue from property development

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the level of completion in proportion of cost incurred to date against the expected total construction costs.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

#### (iii) Revenue from construction contracts

For construction contracts whereby the Group has an enforceable right to payment for performance completed to date, revenue is recognised progressively over time using input method on the basis of the actual construction costs incurred relative to the estimated total construction costs.

The Group recognises construction revenue over time as the project being constructed has no alternative uses to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.31 Revenue and other income (continued)

#### (iv) Sale of completed properties

Revenue from the sale of inventories of completed properties is recognised net of discounts at the point in time when control of the properties is transferred to the customer, generally on delivery of the goods. Revenue is not recognised to the extent where there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of properties.

#### (v) Sale of plantation produce

Revenue from sales of fresh fruit bunches and crude palm oil are recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customers, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

#### (vi) Rental income

Rental income arising from operating leases 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.

#### (vii) Dividend income

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

#### (viii) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate ("EIR") method.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in revenue and other income in the statement of profit or loss.

### 2.32 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

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

## 2. Summary of significant accounting policies (continued)

### 2.32 Fair value measurement (continued)

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

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

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

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

### 2.33 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.34 Critical judgements made in applying accounting policies

Judgements, estimates and assumptions concerning the future are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 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) **Impairment assessment of building under construction, including long term leasehold land and freehold land**

At each reporting date, the Group and the Company assess if any indication of impairment exists. This requires an estimation of the recoverable amount of the cash generating units ("CGU"). The directors of the Group and of the Company are of the view that there is no impairment on its current carrying amount as the recoverable amount which is its fair value less cost to sell of the building under construction, including long term leasehold land and freehold land, determined by valuation performed by independent valuer, exceeded its total carrying amount.

# Notes to the Financial Statements

30 June 2020 (continued)

## 2. Summary of significant accounting policies (continued)

### 2.34 Critical judgements made in applying accounting policies (continued)

#### Key sources of estimation uncertainty (continued)

(i) **Impairment assessment of building under construction, including long term leasehold land and freehold land (continued)**

When assessing the fair value less cost to sell of the construction in progress, including the long term leasehold land and freehold land, the management considered the valuers' inputs to the valuation of the property. These include the appropriateness of the valuation model and the key assumptions used by the valuers.

Based on the impairment review, there is no impairment as the fair value of the building under construction, including long term leasehold land and freehold land exceeds its total carrying amount.

(ii) **Income taxes**

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income taxes are disclosed in Note 10.

(iii) **Impairment of receivables**

The Group and the Company apply the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(iv) **Revenue recognition of property development activities and construction contracts**

The Group recognises property development activities and construction contracts based on stage of completion method. The stage of completion of the property development activities and construction contracts is measured in accordance with the accounting policies set out in Notes 2.10 and 2.31.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the property development projects. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

## 2. Summary of significant accounting policies (continued)

### 2.34 Critical judgements made in applying accounting policies (continued)

#### Key sources of estimation uncertainty (continued)

##### (v) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which is derived based on comparison method. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The Group had engaged an independent professional valuer to determine the fair value and there are no material events that affect the valuation between the valuation date and financial year end. The details on investment properties are disclosed in Note 15.

##### (vi) Leases - Estimating the incremental borrowing rate

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

##### (vii) Fair value of financial instruments

The majority of the Group's financial instruments reported at fair value are based on quoted and observable market prices. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The valuation of financial instruments is described in more detail in Note 34.

# Notes to the Financial Statements

30 June 2020 (continued)

## 3. Revenue

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers	57,661	26,532	-	-
Revenue from other sources:				
Property management income	514	188	-	-
Interest income	6,927	-	-	-
Dividend income	529	-	20,000	20,000
	<b>65,631</b>	<b>26,720</b>	<b>20,000</b>	<b>20,000</b>
Disaggregation of the revenue from contracts with customers:				
<b>Type of goods and services</b>				
Sale of development properties	1,764	16,090	-	-
Construction contracts	4,245	9,765	-	-
Sale of fresh fruit bunches	1,311	510	-	-
Sale of crude palm oil	50,341	167	-	-
	<b>57,661</b>	<b>26,532</b>	<b>-</b>	<b>-</b>
<b>Geographical market</b>				
Malaysia	57,661	26,532	-	-
<b>Timing of revenue recognition</b>				
- at a point in time	51,652	677	-	-
- over time	6,009	25,855	-	-
	<b>57,661</b>	<b>26,532</b>	<b>-</b>	<b>-</b>

## 4. Cost of sales

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Property development costs (Note 14(b))	1,082	8,024	-	-
Construction costs	4,041	9,560	-	-
Property management operation costs	204	209	-	-
Cost of fresh fruit bunches sold	883	682	-	-
Cost of crude palm oil sold	49,012	166	-	-
	<b>55,222</b>	<b>18,641</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

30 June 2020 (continued)

## 5. Other income

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Dividend from investments	13,920	9,778	-	-
Gain on changes in fair value of:				
- investment properties (Note 15)	-	300	-	-
- fair value through profit or loss	325	607	-	-
Unrealised foreign exchange gain	2,296	641	-	-
Gain on disposal of property, plant and equipment	100	28	-	-
Rental income from premises	976	933	-	-
Interest income	563	555	16	245
Sundry income	454	298	-	-
Reversal of allowance for impairment of:				
- trade receivable (Note 17)	100	675	-	-
- other receivable (Note 17)	138	58	-	-
Realised gain on financial assets	323	-	-	-
	<b>19,195</b>	<b>13,873</b>	<b>16</b>	<b>245</b>

## 6. Staff costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages and salaries	8,306	6,412	3,528	3,461
Pension costs - defined contribution plans	865	596	331	315
Social security costs	52	43	25	25
Other staff related expenses	267	168	154	123
	<b>9,490</b>	<b>7,219</b>	<b>4,038</b>	<b>3,924</b>

Included in the staff costs of the Group and of the Company are remuneration paid to executive directors amounting to RM2,698,000 (2019: RM2,540,000) and RM686,000 (2019: RM686,000) respectively as further disclosed in Note 7.

# Notes to the Financial Statements

30 June 2020 (continued)

## 7. Directors' remuneration

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Executive:				
Salaries and other emoluments	2,698	2,540	686	686
Benefits-in-kind	94	169	51	129
	<b>2,792</b>	<b>2,709</b>	<b>737</b>	<b>815</b>
Non-executive:				
Fees (Note 8)	240	240	240	240
Other emoluments	17	15	17	15
	<b>257</b>	<b>255</b>	<b>257</b>	<b>255</b>
<b>Total directors' remuneration</b>	<b>3,049</b>	<b>2,964</b>	<b>994</b>	<b>1,070</b>
Analysis of total directors' remuneration excluding benefits-in-kind:				
- Executive	2,698	2,540	686	686
- Non-executive	257	255	257	255
<b>Total directors' remuneration excluding benefits-in-kind</b>	<b>2,955</b>	<b>2,795</b>	<b>943</b>	<b>941</b>

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2020	2019
Executive directors:		
RM1,300,001 - RM1,350,000	1	1
RM1,350,001 - RM1,400,000	-	1
RM1,450,001 - RM1,500,000	1	-
Non-executive directors:		
RM50,000 and below	1	2
RM50,001 - RM100,000	4	3

# Notes to the Financial Statements

30 June 2020 (continued)

## 8. (Loss)/profit from operations

(Loss)/profit from operations are arrived at after charging:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Auditors' remuneration:				
Auditors' of the Company:				
- statutory audit	411	416	110	108
- other services	10	10	10	10
- underprovision in prior year	97	-	9	-
Other auditors':				
- statutory audit	5	6	-	-
Directors' fees of non-executive directors of the Company (Note 7)	240	240	240	240
Unrealised foreign exchange loss	-	60	-	-
Property, plant and equipment written off	2	22	-	-
Rental expense for premises	-	709	-	393
Allowance for impairment of:				
- other receivables (Note 17)	-	34	-	-
Fair value changes on biological assets (Note 19)	(42)	14	-	-
Impairment of investment properties (Note 15)	2,900	-	-	-
Unrealised loss on financial assets	9,912	-	-	-
Unrealised loss on derivatives	6,484	-	-	-
Realised loss on financial assets	7,352	-	-	-
Realised loss on derivatives	4,873	-	-	-

## 9. Finance expense

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense on:				
- Term loans	463	126	-	-
- Hire purchase	-	20	-	-
- Lease liabilities	192	-	45	-
- Others	21	2	-	2
Total interest expense	676	148	45	2

# Notes to the Financial Statements

30 June 2020 (continued)

## 10. Income tax expense

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Income tax:</b>				
Malaysian income tax	335	688	-	58
Under/(over) provision in prior years	378	827	(15)	116
	713	1,515	(15)	174
<b>Deferred tax (Note 27):</b>				
Relating to origination and reversal of temporary differences	(46)	(529)	-	-
Underprovision of prior years	(1,242)	(110)	-	-
	(1,288)	(639)	-	-
Total income tax (benefit)/expense, from continuing operations	(575)	876	(15)	174

The Group and the Company are subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

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

The reconciliations between tax (benefit)/expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2020 and 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Loss)/profit before tax	(27,503)	2,594	14,079	10,529
Taxation at Malaysian statutory tax rate of 24%	(6,601)	623	3,379	2,527
Income not subject to tax	(3,098)	(2,591)	(4,800)	(4,800)
Expenses not deductible for tax purposes	8,668	2,528	1,421	2,331
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(128)	(647)	-	-
Deferred tax assets not recognised during the year	1,448	246	-	-
Under/(over) provision in prior years:				
- Malaysian income tax	378	827	(15)	116
- Deferred tax	(1,242)	(110)	-	-
Income tax (benefit)/expense	(575)	876	(15)	174

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

Domestic current income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

# Notes to the Financial Statements

30 June 2020 (continued)

## 11. Earning per share

### (a) Basic (loss)/earning per share

Basic (loss)/earning per share amounts are calculated by dividing (loss)/profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2020 RM'000	2019 RM'000
(Loss)/profit net of tax attributable to equity holders of the Company		
- Continuing operations	(26,556)	2,254
- Discontinuing operations	-	9,102
	<b>(26,556)</b>	<b>11,356</b>

	2020 '000	2019 '000
Weighted average number of ordinary shares in issue	837,735	846,118

	2020	2019
Basic earnings per ordinary share (sen):		
- Continuing operations	(3.2)	0.3
- Discontinued operation	-	1.1
	<b>(3.2)</b>	<b>1.4</b>

### (b) Diluted

The Group does not have any potential dilutive ordinary shares as at the reporting date.

There have been no other transactions involving ordinary shares as potential dilutive ordinary shares between the reporting date and the date of these financial statements.

# Notes to the Financial Statements

30 June 2020 (continued)

## 12. Property, plant and equipment

Group	Long term		Building under construction	Bearer plants	Plant, machinery and Motor		Renovation	Total
	Freehold land	leasehold land			equipment	vehicle		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 30 June 2020</b>								
<b>Cost</b>								
At 1 July 2019	70,000	6,168	265,194	10,125	2,670	3,939	2,171	360,267
Additions	-	-	14,152	-	110	98	672	15,032
Written off	-	-	-	-	(3)	-	-	(3)
Disposal	-	-	-	-	-	(624)	-	(624)
At 30 June 2020	70,000	6,168	279,346	10,125	2,777	3,413	2,843	374,672
<b>Accumulated depreciation and impairment losses</b>								
At 1 July 2019	-	646	-	1,558	2,365	3,265	2,101	9,935
Charge for the year	-	99	-	779	85	400	16	1,379
Written off	-	-	-	-	(1)	-	-	(1)
Disposal	-	-	-	-	-	(613)	-	(613)
At 30 June 2020	-	745	-	2,337	2,449	3,052	2,117	10,700
<b>Net carrying amount</b>								
At 30 June 2020	70,000	5,423	279,346	7,788	328	361	726	363,972

# Notes to the Financial Statements

30 June 2020 (continued)

## 12. Property, plant and equipment (continued)

Group	Long term		Building under construction	Bearer plants	Plant, machinery and Motor		Renovation	Total
	Freehold land	leasehold land			equipment	vehicle		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 30 June 2019</b>								
<b>Cost</b>								
At 1 July 2018	70,000	4,627	265,107	-	2,704	3,686	2,171	348,295
Additions	-	-	87	-	294	343	-	724
Written off	-	-	-	-	(268)	-	-	(268)
Disposal	-	-	-	-	(60)	(90)	-	(150)
Transfer from non-current assets held for sale (Note 23)	-	1,541	-	10,125	-	-	-	11,666
At 30 June 2019	70,000	6,168	265,194	10,125	2,670	3,939	2,171	360,267
<b>Accumulated depreciation and impairment losses</b>								
At 1 July 2018	-	547	-	-	2,602	2,847	2,087	8,083
Charge for the year	-	99	-	1,558	62	508	14	2,241
Written off	-	-	-	-	(246)	-	-	(246)
Disposal	-	-	-	-	(53)	(90)	-	(143)
At 30 June 2019	-	646	-	1,558	2,365	3,265	2,101	9,935
<b>Net carrying amount</b>								
At 30 June 2019	70,000	5,522	265,194	8,567	305	674	70	350,332

# Notes to the Financial Statements

30 June 2020 (continued)

## 12. Property, plant and equipment (continued)

Company	Other assets	
	2020 RM'000	2019 RM'000
<b>Cost</b>		
At 1 July 2019/2018	3,291	3,048
Additions	16	243
At 30 June	3,307	3,291
<b>Accumulated depreciation</b>		
At 1 July 2019/2018	3,058	3,027
Charge for the year	56	31
At 30 June	3,114	3,058
<b>Net carrying amount</b>		
At 30 June	193	233

### (a) Assets held under finance lease and hire purchase arrangements

During the year, the Group and the Company acquired property, plant and equipment by the following means:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Hire purchase and lease payables arrangements	-	343	-	-
Cash purchases	15,032	381	16	243
	15,032	724	16	243

### (b) Title of leasehold land

The title to a portion of the long term leasehold land of a subsidiary with carrying book value of RM4,879,000 (2019: RM4,928,000) is held under beneficial interest.

# Notes to the Financial Statements

30 June 2020 (continued)

## 13. Right-of-use assets

The Group and the Company have lease contracts for buildings with contract terms ranging from 3 to 6 years and do not contain variable lease payments.

The Group and the Company also have certain leases of motor vehicles with the lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amounts of right-of-use assets recognised and the movements during the year are as follows:

	<b>Buildings 2020 RM'000</b>
<b>Group</b>	
At 1 July 2019	-
Additions	6,527
Charge for the year	(1,069)
Exchange differences	6
At 30 June 2020	<b>5,464</b>
<b>Company</b>	
At 1 July 2019	-
Additions	1,283
Charge for the year	(367)
At 30 June 2020	<b>916</b>

The following are the amounts recognised in profit or loss:

	<b>Group</b>		<b>Company</b>	
	<b>2020 RM'000</b>	<b>2019 RM'000</b>	<b>2020 RM'000</b>	<b>2019 RM'000</b>
Depreciation on ROU assets	1,069	-	367	-
Interest expense on lease liabilities	192	-	45	-
Total amount recognised in profit or loss	<b>1,261</b>	<b>-</b>	<b>412</b>	<b>-</b>

# Notes to the Financial Statements

30 June 2020 (continued)

## 14. Inventories

	Group	
	2020 RM'000	2019 RM'000
<b>Non-current</b>		
Land held for property development (Note 14(a))	263,728	263,690
<b>Current</b>		
At cost		
- Property development costs (Note 14(b))	-	49,491
- Completed properties and others (Note 14(c))	60,478	11,380
	60,478	60,871

### (a) Land held for property development

Group	Development expenditure RM'000	Freehold land RM'000	Leasehold land RM'000	Total RM'000
<b>At 30 June 2020</b>				
At 1 July 2019	37,575	226,091	24	263,690
Additions	38	-	-	38
At 30 June 2020	37,613	226,091	24	263,728
<b>At 30 June 2019</b>				
At 1 July 2018	37,401	226,091	24	263,516
Additions	174	-	-	174
At 30 June 2019	37,575	226,091	24	263,690

### (b) Property development costs

	Group	
	2020 RM'000	2019 RM'000
At 1 July 2019/2018		
Freehold land	493	493
Development costs	41,299	41,299
	41,792	41,792
Development cost incurred during the year	26,294	24,877
Transfer to completed properties and others	(49,826)	-
<b>Total cost capitalised as at 30 June</b>	18,260	66,669

# Notes to the Financial Statements

30 June 2020 (continued)

## 14. Inventories (continued)

### (b) Property development costs (continued)

	Group	
	2020 RM'000	2019 RM'000
Cumulative costs recognised in profit or loss:		
At 1 July 2019/2018	(17,178)	(9,154)
Recognised during the year (Note 4)	(1,082)	(8,024)
At 30 June	(18,260)	(17,178)
At 30 June	-	49,491

### (c) Completed properties and others

	Group	
	2020 RM'000	2019 RM'000
At cost:		
Completed properties	60,478	10,766
Crude palm oil	-	614
	60,478	11,380

In prior year, the costs of inventories recognised as an expense amounted to RM166,000.

## 15. Investment properties

	Group	
	2020 RM'000	2019 RM'000
<b>At fair value</b>		
At 1 July 2019/2018	45,700	-
Additions	-	45,400
Fair value adjustments recognised in profit or loss (Note 5 and Note 8)	(2,900)	300
At 30 June	42,800	45,700

Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at reporting date. The fair value of the properties has been determined using the comparison method.

# Notes to the Financial Statements

30 June 2020 (continued)

## 15. Investment properties (continued)

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

	Group	
	2020 RM'000	2019 RM'000
Rental income	514	188
Direct operating expenses of income generating investment properties	(204)	(209)
Loss arising from investment properties	310	(21)

## 16. Investment in subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Investments in unquoted shares	704,646	704,646
Discount on loan to a subsidiary	2,838	2,838
Less: Accumulated impairment losses	(373,363)	(373,363)
	334,121	334,121

There is no movement in accumulated impairment losses account during current and previous financial year.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Equity interest held by the Company (%)		Paid-up ordinary share capital	Principal activities
		2020	2019		
Sea Resorts Development Sdn. Bhd.	Malaysia	100	100	RM2,400,002	Investment holding
Oakland Holdings Sdn. Bhd.	Malaysia	100	100	RM19,000,000	Property development
Mycom (BVI) Ltd.	British Virgin Islands	100	100	USD25,000,000	Investment holding and trading in securities
* Duta Plantations Sdn. Bhd.	Malaysia	100	100	RM1,000,000	Investment holding
Duta Grand Hotels Sdn. Bhd.	Malaysia	76	76	RM291,629,960	Property investment
UNP Plywood Sdn. Bhd.	Malaysia	92	92	RM115,645,154	Dormant

# Notes to the Financial Statements

30 June 2020 (continued)

## 16. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Equity interest held by the Company (%)		Paid-up ordinary share capital	Principal activities
		2020	2019		
Mycom Capital (BVI) Ltd.	British Virgin Islands	100	100	USD2	Dormant
Pacific Forest Industries Sdn. Bhd.	Malaysia	75	75	RM49,329,817	Dormant
Olympia Land Berhad	Malaysia	100	100	RM31,501,400	Property investment, development and management
KH Estates Sdn. Bhd.	Malaysia	100	100	RM1,000,000	Property investment
* Rambai Realty Sdn. Bhd.	Malaysia	100	100	RM50,000	Investment holding and property development
City Properties Development Sdn. Bhd.	Malaysia	100	100	RM2	Property development and property investment
Mascon Construction Sdn. Bhd.	Malaysia	100	100	RM3,200,000	Dormant
<b>Subsidiaries of Oakland Holdings Sdn. Bhd.</b>					
Jiwa Realty Sdn. Bhd.	Malaysia	51	51	RM1,000,000	Property development
* Merchant Square Sdn. Bhd.	Malaysia	100	100	RM2	Property management
<b>Subsidiaries of Duta Plantations Sdn. Bhd.</b>					
Labuk Estate Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Labuk Plantation Sdn. Bhd.	Malaysia	100	100	RM3	Dormant

# Notes to the Financial Statements

30 June 2020 (continued)

## 16. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Equity interest held by the Company (%)		Paid-up ordinary share capital	Principal activities
		2020	2019		
<b>Subsidiaries of Duta Plantations Sdn. Bhd. (continued)</b>					
Labukpalm Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Ladang Anak Jati Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Majusa Sdn. Bhd.	Malaysia	100	100	RM3,000	Dormant
Moyog Properties Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Pertama Land & Development Sdn. Bhd.	Malaysia	100	100	RM11,000,000	Cultivation of oil palm, sales of oil palm fresh fruit bunches and trading of crude palm oil
Tawai Estate Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Telupid Plantation Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
Telupid Estate Sdn. Bhd.	Malaysia	100	100	RM3	Dormant
<b>Subsidiary of Duta Grand Hotels Sdn. Bhd.</b>					
* Tegas Komposit Sdn. Bhd.	Malaysia	100	100	RM2	Property investment
<b>Subsidiaries of Olympia Land Berhad</b>					
M B Properties Sdn. Bhd.	Malaysia	100	100	RM1,500,000	Property investment and development

# Notes to the Financial Statements

30 June 2020 (continued)

## 16. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Country of incorporation	Equity interest held by the Company (%)		Paid-up ordinary share capital	Principal activities
		2020	2019		
<b>Subsidiaries of Olympia Land Berhad (continued)</b>					
Olympia Property Services Sdn. Bhd.	Malaysia	100	100	RM2	Property management
Olympia Leasing Sdn. Bhd.	Malaysia	100	100	RM1,500,000	Dormant
<b>Subsidiaries of KH Estates Sdn. Bhd.</b>					
KH Land Sdn. Bhd.	Malaysia	100	100	RM1,000,000	Property development
Kenny Heights Central Sdn. Bhd.	Malaysia	58	58	RM100	Investment holding
<b>Subsidiary of KH Land Sdn. Bhd.</b>					
Herald Privilege Sdn. Bhd.	Malaysia	100	100	500,000	Dormant
<b>Subsidiary of Kenny Heights Central Sdn. Bhd.</b>					
Kenny Heights Westcity Sdn. Bhd.	Malaysia	100	100	RM2	Dormant
<b>Subsidiary of Pertama Land &amp; Development Sdn. Bhd.</b>					
Pertama Capital Pte. Ltd.	Singapore	100	100	SGD1,000,000	Investment holding

\* Audited by firms of auditors other than a member of Ernst & Young Global.

# Notes to the Financial Statements

30 June 2020 (continued)

## 16. Investment in subsidiaries (continued)

- (a) Summarised financial information of Duta Grand Hotels Sdn. Bhd. (“DGH”), Pacific Forest Industries Sdn. Bhd. (“PFI”) and UNP Plywood Sdn. Bhd. (“UNP”) which have material non-controlling interests are set out below. The summarised financial information presented below is the amount before inter-company elimination.

- (i) Summarised statements of financial position

	DGH		PFI		UNP	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	349,347	335,196	-	-	-	-
Current assets	4,891	4,852	2	2	36,889	37,148
<b>Total assets</b>	<b>354,238</b>	<b>340,048</b>	<b>2</b>	<b>2</b>	<b>36,889</b>	<b>37,148</b>
Non-current liabilities	124,109	118,952	-	-	-	-
Current liabilities	12,414	2,315	41,467	41,306	6	4
<b>Total liabilities</b>	<b>136,523</b>	<b>121,267</b>	<b>41,467</b>	<b>41,306</b>	<b>6</b>	<b>4</b>
<b>Net assets/(liabilities)</b>	<b>217,715</b>	<b>218,781</b>	<b>(41,465)</b>	<b>(41,304)</b>	<b>36,883</b>	<b>37,144</b>
Equity/(deficit) attributable to equity holders of the Company	170,558	171,368	(40,309)	(40,188)	31,157	31,398
Non-controlling interests	47,157	47,413	(1,156)	(1,116)	5,726	5,746
	<b>217,715</b>	<b>218,781</b>	<b>(41,465)</b>	<b>(41,304)</b>	<b>36,883</b>	<b>37,144</b>

- (ii) Summarised statements of comprehensive income

	DGH		PFI		UNP	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	-	-	-	-	-	-
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year	(1,066)	(2,373)	(161)	(13)	(51)	1,184
<b>Total comprehensive (loss)/income attributable to owners of the Company</b>	<b>(810)</b>	<b>(1,803)</b>	<b>(121)</b>	<b>(10)</b>	<b>(241)</b>	<b>1,089</b>
Total comprehensive (loss)/income attributable to non-controlling interests	(256)	(570)	(40)	(3)	(20)	95
	<b>(1,066)</b>	<b>(2,373)</b>	<b>(161)</b>	<b>(13)</b>	<b>(261)</b>	<b>1,184</b>

# Notes to the Financial Statements

30 June 2020 (continued)

## 16. Investment in subsidiaries (continued)

(a) Summarised financial information of Duta Grand Hotels Sdn. Bhd. (“DGH”), Pacific Forest Industries Sdn. Bhd. (“PFI”) and UNP Plywood Sdn. Bhd. (“UNP”) which have material non-controlling interests are set out below. The summarised financial information presented below is the amount before inter-company elimination. (continued)

(iii) Summarised statements of cash flows

	DGH		PFI		UNP	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net cash generated from/ (used in) operating activities	9,033	(1,095)	(161)	(13)	(12)	(16)
Net cash used in investing activities	(14,152)	(86)	-	-	-	-
Net cash generated from financing activities	5,146	1,144	161	13	-	-
Net increase/(decrease) in cash and cash equivalents	27	(37)	-	-	(12)	(16)

## 17. Trade and other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current</b>				
Due from a joint operator (a)	34,123	32,090	-	-
Due from subsidiaries (b)	-	-	110,367	105,210
	34,123	32,090	110,367	105,210
<b>Current</b>				
Trade receivables, net (c)	27,421	5,119	-	-
Other receivables, net (d)	25,630	3,313	2,351	707
Due from a company with common directors and corporate shareholders (e)	35	66	-	-
Due from subsidiaries (b)	-	-	415,603	378,858
	53,086	8,498	417,954	379,565

# Notes to the Financial Statements

30 June 2020 (continued)

## 17. Trade and other receivables (continued)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total trade and other receivables	87,209	40,588	528,321	484,775
Less: Prepayments	(20,087)	(49)	(18)	(21)
Add: Cash and cash equivalents (Note 22)	79,264	73,398	1,942	1,273
<b>Total financial assets at amortised costs</b>	<b>146,386</b>	<b>113,937</b>	<b>530,245</b>	<b>486,027</b>

### (a) Due from a joint operator

The amount due from a joint operator relates to receivables from Olympia Properties Sdn. Bhd., a wholly-owned subsidiary of Olympia Industries Berhad. The amount is unsecured, non-interest bearing and repayable on demand but management does not intend to collect within the next 12 months and therefore the outstanding balance was classified as non-current. The details of the joint operation are disclosed in Note 33.

### (b) Due from subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Due from subsidiaries	580,915	539,013
Less: Allowance for impairment	(54,945)	(54,945)
	<b>525,970</b>	<b>484,068</b>

The above balances which are non-trade advances given to subsidiaries are unsecured, interest-free and repayable on demand.

Amount due from subsidiaries are analysed as follows:

	Company	
	2020 RM'000	2019 RM'000
Non current	110,367	105,210
Current	415,603	378,858
	<b>525,970</b>	<b>484,068</b>

There is no movement in the provision for impairment loss.

# Notes to the Financial Statements

30 June 2020 (continued)

## 17. Trade and other receivables (continued)

### (c) Trade receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Third parties	28,659	6,457	916	916
Stakeholder sums	1,754	1,754	-	-
	30,413	8,211	916	916
Less: Allowance for impairment	(2,992)	(3,092)	(916)	(916)
	27,421	5,119	-	-

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2019: 14 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or a group of debtors.

Ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Neither past due nor impaired	27,421	2,868	-	-
Past due not impaired more than 121 days	-	2,251	-	-
	27,421	5,119	-	-
Impaired	2,992	3,092	916	916
	30,413	8,211	916	916

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM Nil (2019: RM2,251,000) that are past due at the reporting date but not impaired. Based on credit history, there are no indications as at reporting date that these customers will not be able to meet their obligations.

# Notes to the Financial Statements

30 June 2020 (continued)

## 17. Trade and other receivables (continued)

### (c) Trade receivables (continued)

#### Receivables that are impaired

The Group's trade receivables that are impaired have been individually determined.

These trade receivables relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Movement in trade receivables allowance accounts:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 July 2019/2018	3,092	3,767	916	916
Reversal of impairment (Note 5)	(100)	(675)	-	-
At 30 June	2,992	3,092	916	916

### (d) Other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Advances	2,189	2,189	939	939
Refundable deposits	2,245	1,538	921	921
Sundry receivables	13,121	11,687	2,334	687
Prepayments	20,087	49	18	21
	37,642	15,463	4,212	2,568
Less: Allowance for impairment	(12,012)	(12,150)	(1,861)	(1,861)
	25,630	3,313	2,351	707

Movement in other receivables' allowance accounts:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 July 2019/2018	12,150	12,174	1,861	1,861
Reversal of impairment (Note 5)	(138)	(58)	-	-
Charge for the year (Note 8)	-	34	-	-
At 30 June	12,012	12,150	1,861	1,861

# Notes to the Financial Statements

30 June 2020 (continued)

## 17. Trade and other receivables (continued)

### (e) Amount due from a company with common directors and corporate shareholders

Amount due from a company with common directors and corporate shareholders is from United Malaysian Properties Sdn Bhd. The amount is unsecured, non-interest bearing and repayable on demand.

## 18. Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed on properties development under construction but not yet billed at the reporting date.

Significant changes to contract assets balances during the year are as follows:

	At beginning of the year RM'000	Revenue recognised RM'000	Progress billed RM'000	At the end of the year RM'000
<b>2020</b>				
Property development	5,465	-	(5,465)	-
Construction management	(82)	82	-	-
	5,383	82	(5,465)	-
<b>2019</b>				
Property development	(547)	16,090	(10,078)	5,465
Construction management	-	9,765	(9,847)	(82)
	(547)	25,855	(19,925)	5,383

## 19. Biological assets

	Group	
	2020 RM'000	2019 RM'000
At 1 July 2019/2018	37	-
Transfer from non-current assets held for sale (Note 23)	-	51
Fair value movement	42	(14)
At 30 June	79	37

The biological assets of the Group represent fresh fruit bunches (FFB) of 1 month prior to harvesting. As at 30 June 2020, the quantity of the unharvested FFB included in the valuation for the Group are 244 metric tonnes. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of FFB adjusted for extraction rates less processing, harvesting and transportation costs.

# Notes to the Financial Statements

30 June 2020 (continued)

## 20. Financial assets

	Group	
	2020 RM'000	2019 RM'000
<b>Financial assets at fair value through profit or loss</b>		
<b>Quoted:</b>		
<u>In Malaysia:</u>		
Equity investments	3,118	-
Unit trusts	353,380	511,476
<u>Outside Malaysia:</u>		
Equity investments	33,774	-
<b>Unquoted:</b>		
<u>Outside Malaysia:</u>		
Debt instruments	23,737	-
Equity investments	4,388	-
Total financial assets	418,397	511,476

## 21. Derivative financial assets/(liabilities)

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected as derivative financial assets and liabilities respectively.

	Group Fair value	
	Asset 2020 RM'000	Liability 2020 RM'000
<b>Less than one year</b>		
<b>Quoted:</b>		
<u>Trading derivatives</u>		
Equity options	1,158	(1,070)
Commodity futures	1,172	-
	2,330	(1,070)
<b>Unquoted:</b>		
<u>Trading derivatives</u>		
Currency forwards	53	(724)
Equity forwards	-	(242)
	53	(966)
Total derivative financial instruments	2,383	(2,036)

# Notes to the Financial Statements

30 June 2020 (continued)

## 22. Cash and cash equivalents

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash at banks and on hand	78,964	23,007	1,942	1,273
Short term deposits with licensed banks	10,447	50,829	147	143
Cash and bank balances	89,411	73,836	2,089	1,416
Less: Deposits with tenures of more than 3 months	(10,147)	(438)	(147)	(143)
Cash and cash equivalents	79,264	73,398	1,942	1,273

Included in cash and bank balances of the Group is an amount of RM211,000 (2019: RM208,000) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and is restricted from use in other operations.

The range of effective interest rate for the bank deposit per annum is as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Licensed banks	2.63 to 3.36	2.57 to 3.35	3.36	3.35

The range of number of days remaining to maturity for the bank deposits as at the reporting date is as follows:

	Group		Company	
	2020 Days	2019 Days	2020 Days	2019 Days
Licensed banks	30 to 368	30 to 278	365	278

## 23. Non-current assets classified as held for sale

	Group	
	2020 RM'000	2019 RM'000
<u>Current assets</u>		
At 1 July 2019/2018	-	11,717
Transfer to property, plant and equipment (Note 12)	-	(11,666)
Transfer to biological assets (Note 19)	-	(51)
At 30 June	-	-
<u>Current liabilities</u>		
At 1 July 2019/2018	-	1,988
Transfer to deferred tax liabilities	-	(1,988)
At 30 June	-	-

# Notes to the Financial Statements

30 June 2020 (continued)

## 23. Non-current assets classified as held for sale (continued)

The results are presented below:

### Statements of comprehensive income disclosures

The results of the discontinuing operations in PLDSB, net of intercompany transactions, are as follows:

	Group	
	2020 RM'000	2019 RM'000
Revenue	-	916
Expenses	-	(275)
Profit from operations	-	641
Other income	-	10,941
Operating and administrative expenses	-	(2,480)
Profit before tax from discontinuing operations	-	9,102
Taxation	-	-
Profit from discontinuing operations, net of tax	-	9,102

## 24. Share capital, capital reserve and treasury shares

### Share capital

	Number of ordinary shares		Amount	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Ordinary shares:				
Issued and fully paid	846,118	846,118	423,059	423,059

All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

	Group and Company	
	2020 RM'000	2019 RM'000
<b>Capital reserve</b>		
At 30 June	53,109	53,109

# Notes to the Financial Statements

30 June 2020 (continued)

## 24. Share capital, capital reserve and treasury shares (continued)

Comprised remaining credit from par value and share premium reduction exercise in prior years after off setting capital reduction expense and accumulated losses of RM186,000 and RM388,259,000 respectively.

### Treasury shares

	Number of treasury shares		Group and Company	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Treasury shares At 30 June	8,383	-	3,021	-

## 25. Retained profits

As at 30 June 2020, the Company may distribute the entire balance of the retained profits under the single-tier system.

## 26. Dividends

	Company	
	2020 RM'000	2019 RM'000
<b>In respect of financial year ended 30 June 2019</b>		
Special tax exempt (single-tier) dividends of 5 sen per ordinary share, on 846,118,039 ordinary shares declared on 30 April 2019 and paid on 15 May 2019	-	42,306
	-	42,306

Subsequent to 30 June 2020, the Directors declared a single-tier dividend of 1 sen per share amounting to RM8,461,180 in respect of the financial year ended 30 June 2020.

## 27. Deferred tax liabilities

	Group	
	2020 RM'000	2019 RM'000
At 1 July 2019/2018	1,988	639
Reclassification from non-current liabilities held for sale	-	1,988
Recognised in profit or loss (Note 10)	(1,288)	(639)
At 30 June	700	1,988
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	(232)
Deferred tax liabilities	700	2,220
	700	1,988

# Notes to the Financial Statements

30 June 2020 (continued)

## 27. Deferred tax liabilities (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Leasehold land RM'000	Landed properties RM'000	Investment properties and others RM'000	Total RM'000
<b>2020</b>					
At 1 July 2019	639	1,551	-	30	2,220
Recognised in profit or loss	(291)	(1,551)	352	(30)	(1,520)
At 30 June 2020	348	-	352	-	700
<b>2019</b>					
At 1 July 2018	639	-	-	-	639
Reclassified from non-current liabilities held for sale	-	1,988	-	-	1,988
Recognised in profit or loss	-	(437)	-	30	(407)
At 30 June 2019	639	1,551	-	30	2,220

### Deferred tax assets of the Group:

	Unutilised business losses RM'000	Others RM'000	Total RM'000
<b>2020</b>			
At 1 July 2019	(231)	(1)	(232)
Recognised in profit or loss	231	1	232
At 30 June 2020	-	-	-
<b>2019</b>			
At 1 July 2018	-	-	-
Recognised in profit or loss	(231)	(1)	(232)
At 30 June 2019	(231)	(1)	(232)

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

Group	2020 RM'000	2019 RM'000
Unutilised tax losses	14,114	11,988
Unabsorbed capital allowances	16	1
Others	4,594	1,235
	18,724	13,224

# Notes to the Financial Statements

30 June 2020 (continued)

## 27. Deferred tax liabilities (continued)

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other companies in the Group and they have arisen in companies that have recent histories of losses.

## 28. Trade and other payables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Sundry payables	308	245	-	-
<b>Current</b>				
<b>Trade payables</b>				
Third parties (a)	30,923	23,870	-	-
<b>Other payables</b>				
Accruals	1,045	870	455	429
Sundry payables	8,291	8,520	1,470	1,472
Due to subsidiaries (b)	-	-	260,909	226,906
Due to affiliates (c)	185	1,073	107	989
	9,521	10,463	262,941	229,796
	40,444	34,333	262,941	229,796
<b>Trade and other payables, representing total financial liabilities carried at amortised cost</b>	<b>40,752</b>	<b>34,578</b>	<b>262,941</b>	<b>229,796</b>

### (a) Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2019: 30 to 90 days).

### (b) Due to subsidiaries

The above balances which are non-trade advances received from subsidiaries are unsecured, interest-free and repayable on demand.

### (c) Due to affiliates

The amounts due to affiliates are non-trade in nature, unsecured, interest free and repayable on demand.

# Notes to the Financial Statements

30 June 2020 (continued)

## 29. Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 July 2019/2018	-	-	-	-
Additions	6,527	-	1,283	-
Interest expense	192	-	45	-
Payments made during the year	(1,177)	-	(393)	-
Exchange differences	6	-	-	-
At 30 June	5,548	-	935	-
Lease liabilities is analysed as follows:				
Current	1,265	-	363	-
Non-current	4,283	-	572	-
	5,548	-	935	-
The remaining maturities of the lease liabilities as at 30 June 2020 is as follows:				
Less than 1 year	1,265	-	363	-
More than 1 year and less than 5 years	4,283	-	572	-
	5,548	-	935	-

## 30. Significant related party transactions and balances

- (a) In addition to the transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions and balances with related parties during the financial year:

### Significant related party transactions

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Olympia Industries Berhad and its subsidiaries</b>				
Rental of premises and parking	749	641	408	408
Settlement of outstanding balance via transfer of investment properties	-	(45,400)	-	-
<b>City Properties Sdn Bhd</b>				
Construction revenue	(4,245)	(9,765)	-	-
<b>Duta Plantations Sdn Bhd</b>				
Dividend income	-	-	20,000	20,000

# Notes to the Financial Statements

30 June 2020 (continued)

## 30. Significant related party transactions and balances (continued)

- (a) In addition to the transactions disclosed elsewhere in the financial statements, the Group and the Company had the following transactions and balances with related parties during the financial year: (continued)

The directors are of the opinion that all the above transactions and those disclosed elsewhere in the financial statements have been entered into in the normal course of business and have been established on negotiated terms and conditions.

### Significant related party balances

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(i) Amount due from a company with common directors and corporate shareholders				
United Malaysian Properties Sdn. Bhd.	35	66	-	-
(ii) Amount due from a joint operator				
Olympia Properties Sdn. Bhd.	34,123	32,090	-	-
(iii) Amount due to an affiliate				
Dairy Maid Resort & Recreation Sdn. Bhd.	185	1,073	107	989

- (b) Compensation of key management personnel

The remuneration of members of key management, who are the directors of the Group and of the Company during the financial year was as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Salaries and other short term employment benefits	3,348	3,186	1,220	1,461
Defined contribution plans	258	249	91	120
Directors' fees	240	240	240	240
Directors' other emoluments	35	33	35	33
	3,881	3,708	1,586	1,854

## 31. Contingent liabilities - unsecured

The following are the details of the claims:

- (a) On 10 May 2013, Lin Wen-Chin and Lin Wen-Chuan ("Plaintiffs") commenced legal action at the High Court in Tawau, Sabah, against Pacific Forest Industries Sdn Bhd and DutaLand ("Defendants") for the recovery of the sum of RM6,223,241.00 plus RM10,635,945.65 interest as at 10 May 2013 being the alleged debt owing by Pacific Forest Industries Sdn Bhd to the Plaintiffs, to which DutaLand stood as a guarantor. The High Court dismissed the Plaintiffs' claim on 11 June 2018. The Plaintiffs filed an appeal to the Court of Appeal on 5 July 2018, and the Defendants filed a cross-appeal in the Court of Appeal on the issues of res judicata and limitation. The appeal and cross-appeal scheduled for hearing before the Court of Appeal on 26 August 2020 were postponed to 15 December 2020.

# Notes to the Financial Statements

30 June 2020 (continued)

## 31. Contingent liabilities - unsecured (continued)

- (b) On 13 December 2006, Rinota Construction Sdn Bhd (“Petitioner”) filed an action against Mascon Rinota Sdn Bhd (“MRSB”), Mascon Sdn Bhd (“MSB”), Olympia Industries Berhad (“OIB”) and others at the Kuala Lumpur High Court (“KLHC”) by virtue of an alleged oppression under Section 181 of the then Companies Act 1965 (“Original Petition”). The Petitioner sought damages of approximately RM8.0 million. On 21 October 2007, the Petitioner filed an application to amend the Original Petition by adding Mascon Construction Sdn Bhd (“MCSB”), a subsidiary of DutaLand, as another respondent and such application was subsequently allowed by KLHC. MSB, a subsidiary of OIB, was wound up on 25 March 2008. On 29 August 2012, KLHC ruled in favour of the Petitioner with an order for MCSB and others to buy out the Petitioner’s shareholding in MRSB which is a subsidiary of MSB. On 27 September 2012, MCSB and the others appealed against this decision, which appeal was allowed by the Court of Appeal with costs of RM100,000.00. The Petitioner filed an application for leave to appeal to the Federal Court (“the Court”) which was granted on 21 June 2016 and the hearing for the Petitioner’s appeal is fixed on 24 November 2016.

On 24 November 2016, the case was vacated therefore the Court had re-fixed the hearing date on 21 February 2017. On 6 February 2017, the Federal Court informed our solicitor that the hearing date which was fixed earlier on 21 February 2017 was vacated and fixed for the case management on 8 February 2017. On 8 February 2017, the matter was fixed for the case management, the Court had further instructed parties to file their respective submission in reply on or before 8 May 2017, and the Court had also fixed the appeal for the hearing on 22 May 2017.

The appeal proper was heard on 22 May 2017 and dismissed with cost of RM100,000. The Federal Court reinstated the order of the High Court which ordered that all the respondents purchase the shares owned by the Petitioner in MRSB and that a certified public accountant be appointed to inspect the accounts of MRSB and file a report to the High Court of the results of the inspection to determine the value of the shares, together with payment of RM100,000 being costs to the Petitioner for the hearing in the Federal Court and the Court of Appeal. The High Court had fixed the case for further case management before the judge on 3 May 2018 for the appointment of the certified public accountant. On 3 May 2018 the case was fixed for case management before YA Dato Has Zanah binti Mehat, the Court had fixed the matter for Hearing of Enclosure 82 on 26 June 2018. On 26 June 2018, the Court had allowed the Petitioner’s application for extension to re-appoint BDO Governance Advisory Sdn Bhd (“BDO”) as the Court appointer auditor. Pursuant to the court order dated 26 June 2018, BDO had 6 months from 26 June 2018 to prepare the accountant’s report.

On 1 October 2018, the Court called for case management to update the Court on the accountant’s report progress, the Court had also fixed for next case management date on 2 November 2018 to update the Court on further progress. On 2 November 2018, the Court had fixed for further case management for the progress of accountant’s report on 3 January 2019. On 3 January 2019, the Court had fixed for further case management on 17 January 2019 for further directions on Accountant’s Report. On 17 January 2019, the Court was informed by the Petitioner that they would file a notice to appoint a new Auditor as the earlier Auditor failed to complete the accounts within the given time frame. The Court had directed for the Petitioner to file the notice on or before 31 January 2019. The Court also fixed the above matter for case management on 31 January 2019. On 31 January 2019, the Petitioner informed the Court that they have appoint a new Auditor, Ferrier Hodgson MH Sdn Bhd (“FHMH”), and the Court had fixed the matter for decision on 22 April 2019. On 22 April 2019, the Court had adjourned the matter to 29 April 2019 for the parties to make oral submission and this date had been adjourned to 10 June 2019. On 23 July 2019, the Court dismissed the order sought by the Petitioner to appoint FHMH to prepare an expert report to advise the Court on the fair price of the shares. On 6 August 2019, the Petitioner filed an appeal against the High Court’s decision to dismiss the order sought by the Petitioner. The ground of High Court’s judgement was published on 15 November 2019. The Court of Appeal fixed the appeal for case management on 10 March 2020.

## 31. Contingent liabilities - unsecured (continued)

- (b) On 10 March 2020, the Court of Appeal fixed the appeal for:- (i) hearing on 7 July 2020; and (ii) case management on 23 June 2020 for the parties to update the Court of Appeal on the status of filing of the records of appeal and written submissions. On 7 July 2020, the Court of Appeal allowed the Petitioner's appeal to appoint FHMH in replacement of BDO, with costs of RM15,000.00 payable to the Petitioner ("COA Order dated 7 July 2020"). Case Management was fixed on 17 August 2020 before the High Court for further directions on the appointment of FHMH. On 5 August 2020, the Respondents filed for leave to appeal against the COA Order dated 7 July 2020 to the Federal Court ("FC Leave Application"). The FC Leave Application was fixed for case management on 7 September 2020.

On 17 August 2020, the Petitioner informed the Court that FHMH has been appointed pursuant to the COA Order dated 7 July 2020 to prepare an expert report to advise the High Court on the fair buy-out price of the Petitioner's shares in Mascon Rinota Sdn Bhd. The Petitioner is required to produce the said report within 4 months from the COA Order dated 7 July 2020 i.e. by 7 November 2020. The Learned Judge directed both parties to submit their expert reports by 30 September 2020 and has fixed case management on 1 October 2020.

- (c) On 28 April 2000, Lin Wen-Chih & Lin Wen-Chuan ("Plaintiffs") filed a suit in Kuala Lumpur High Court ("First Suit") against DutaLand Berhad (which was then known as Mycom Berhad).

The First Suit was for alleged breach of contract by DutaLand, namely DutaLand had breached the Share Sale Agreement (for the purchase of shares in Veramax Sdn Bhd) as DutaLand had failed to make payment for the RM55 million consideration. The First Suit was heard on the merits and the Plaintiffs' claim was dismissed by the Kuala Lumpur High Court on 11 October 2010. The Plaintiffs' appeal to the Court of Appeal was also dismissed on 20 November 2013. Leave to appeal to the Federal Court was also dismissed on 20 October 2014.

The Plaintiffs filed anew for an order on 5 October 2018 ("Plaintiffs' Suit") to set aside the earlier judgement in favour of DutaLand Berhad (which was then known as Mycom Berhad) and affirmed by the Federal Court.

On 19 December 2018, DutaLand filed a formal application to strike out the Plaintiffs' Suit on the ground that the Kota Kinabalu High Court has no territorial jurisdiction to hear the matter as the events complained of occurred in Kuala Lumpur. On 26 February 2019, the Kota Kinabalu High Court allowed DutaLand's application and struck the Plaintiffs' Suit. Being dissatisfied, on 21 March 2019, the Plaintiffs filed an appeal to the Court of Appeal against the decision dated 26 February 2019. The appeal to the Court of Appeal is fixed on 15 December 2020.

## 32. Segment information

### (a) Business segments:

For management purposes, the Group is organised into business units based on their products and services. The Group's reportable segments are as follows:

- (i) Property development - the development of residential and commercial properties and sale of completed properties;
- (ii) Construction management;
- (iii) Plantation - oil palm cultivation, sales of oil palm fruits and sales of crude palm oil;
- (iv) CPO trading - trading of crude palm oil; and

# Notes to the Financial Statements

30 June 2020 (continued)

## 32. Segment information (continued)

### (a) Business segments: (continued)

- (v) Investment holding and others - investment holding includes management, building maintenance, and property investment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. 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 comprise corporate assets, liabilities and expenses.

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business. Segment revenue, expenses and results include transactions between business segments. These transactions are eliminated on consolidation.

	Property development RM'000	Construction management RM'000	Plantation RM'000	CPO Trading RM'000	Investment holding and others RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
<b>30 June 2020</b>								
<b>Revenue</b>								
External revenue, total	1,764	4,245	1,311	50,341	7,970	-		65,631
Inter-segment revenue, total					20,000	(20,000)		-
<b>Results</b>								
Finance income	(20)	-	-	-	(543)	-		(563)
Finance expense	69	-	-	-	607	-		676
Depreciation	654	-	1,139	-	655	-		2,448
Other material non-cash income, net	(2,764)	-	-	-	13,533	-	(a)(i)	(16,297)
Segment (loss)/profit	(9,104)	240	428	1,329	44,233	23,873	(a)(ii)	(27,503)
<b>Assets</b>								
Additions to non-current assets	210	-	-	33	14,827	-	(a)(iii)	15,070
Segment assets	73,937	4,245	20,094	45,797	1,475,253	(282,176)	(a)(iv)	1,337,150
<b>Liabilities</b>								
Segment liabilities	18,509	4,041	370	12	26,408	110	(a)(v)	49,450

# Notes to the Financial Statements

30 June 2020 (continued)

## 32. Segment information (continued)

### (a) Business segments: (continued)

	Property development RM'000	Construction management RM'000	Plantation RM'000	CPO Trading RM'000	Investment holding and others RM'000	Adjustments and elimination RM'000	Note	Consolidated RM'000
<b>30 June 2019</b>								
<b>Revenue</b>								
External revenue, total	16,090	9,765	510	167	188	-		26,720
Inter-segment revenue	-	-	-	-	20,000	(20,000)		-
<b>Results</b>								
Finance income	(19)	-	-	-	(536)	-		(555)
Finance expense	101	-	-	-	1,868	(1,821)		148
Depreciation	226	-	1,934	-	81	-		2,241
Other material non-cash loss, net	910	-	-	-	1,269	-	(a)(i)	2,179
Segment (loss)/profit	4,503	205	235	1	15,807	(18,157)	(a)(ii)	2,594
<b>Assets</b>								
Additions to non-current assets	538	-	-	-	360	-	(a)(iii)	898
Segment assets	424,361	519	10,060	167	1,233,597	(313,906)	(a)(iv)	1,354,798
<b>Liabilities</b>								
Segment liabilities	21,737	3,229	2,010	-	35,241	(25,262)	(a)(v)	36,955

# Notes to the Financial Statements

30 June 2020 (continued)

## 32. Segment information (continued)

### (a) Business segments: (continued)

- (i) Other material non-cash (expense)/income, net, consist of the following items as presented in the respective notes to the financial statements:

	Note	2020 RM'000	2019 RM'000
Property, plant and equipment written off	8	(2)	(22)
Allowance for impairment on receivables	8	-	(34)
Unrealised foreign exchange loss	8	-	(60)
Unrealised foreign exchange gain	5	2,296	641
Gain on disposal of property, plant and equipment	5	100	28
Impairment of investment properties	8	(2,900)	-
Gain on changes of fair value of investment properties	5	-	300
Gain on changes of fair value of fair value through profit or loss	5	325	607
Reversal of allowance for doubtful debts of:			
- trade receivable	5	100	675
- other receivable	5	138	58
Gain/(loss) on fair value change on biological assets	8	42	(14)
Unrealised loss on short term investments		(16,396)	-
		(16,297)	2,179

- (ii) The following items are added/(deducted) from segment (loss)/profit to arrive at "(loss)/profit before tax" presented in the consolidated statement of comprehensive income:

	Note	2020 RM'000	2019 RM'000
Finance income	5	563	555
Finance expense	9	(676)	(148)
		(113)	407

- (iii) Additions to non-current assets consist of:

	Note	2020 RM'000	2019 RM'000
Property, plant and equipment	12	15,032	724
Land held for property development	14 (a)	38	174
		15,070	898

# Notes to the Financial Statements

30 June 2020 (continued)

## 32. Segment information (continued)

### (a) Business segments: (continued)

- (iv) The following item is added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2020 RM'000	2019 RM'000
Tax recoverable	3,229	2,885

- (v) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Note	2020 RM'000	2019 RM'000
Deferred tax liabilities	27	700	1,988
Tax payable		414	389
		1,114	2,377

### (b) Geographical segments:

No information on geographical segment is presented as all of the Group's business operations are in Malaysia.

## 33. Joint operations

On 14 February 2003, KH Estates Sdn. Bhd. ("KHE"), a wholly-owned subsidiary of the Company and Olympia Properties Sdn. Bhd. ("OPSB"), a wholly-owned subsidiary of Olympia Industries Berhad ("OIB") entered into a Consortium Agreement to form a joint venture to jointly develop 12 parcels of land located in the vicinity of Mont Kiara/Sri Hartamas (known as the "KHD Land"). The joint venture between KHE and OPSB is on a ratio of 58% and 42% respectively.

The salient terms of the Consortium Agreement are as follows:

- (i) The KHD Land will be transferred to a trustee who in turn shall hold the beneficial interest in favour of KHE and OPSB respectively;
- (ii) The trustee shall make the necessary application to the relevant authorities for the purposes of amalgamation and sub-division of the KHD Land;
- (iii) KHE and OPSB have agreed to appoint KH Land Sdn. Bhd. ("KHL"), a wholly-owned subsidiary of KHE as the developer for the KHD Land;
- (iv) The respective share of assets, liabilities, income and expenses, contribution to working funds and disbursements and liabilities and all obligation whatsoever in connection with the execution of the Consortium Agreement shall be 58% and 42% for KHE and OPSB respectively; and
- (v) The KHE and OPSB have mutually agreed that any proceeds derived from the joint venture shall first be utilised and applied towards redemption of the existing charges created on the KHD Land.

# Notes to the Financial Statements

30 June 2020 (continued)

## 33. Joint operations (continued)

The Group's aggregate share of the revenue, expenses, assets and liabilities of the joint operations are as follows:

	Group	
	2020 RM'000	2019 RM'000
Other income	187	128
Other expenses, including finance costs and tax	(2,957)	(2,698)
Loss for the year	(2,770)	(2,570)
Non-current assets	223,521	223,188
Cash and cash equivalents	509	492
Other current assets	12,614	21,800
Current liabilities	(5,465)	(40,544)
Non-current liabilities	(216,111)	(187,099)
Net assets	15,068	17,837

## 34. Fair value of financial instruments

### (a) Determination of fair value

#### Financial instruments that are not carried at fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Receivables	17
Cash and cash equivalents	22
Payables	28

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to the relatively short term nature of these financial instruments.

### (b) Fair value hierarchy

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

- i) Level 1 -Unadjusted quoted prices in active market for identical financial instrument
- ii) Level 2 -Inputs other than quoted prices that are observable either directly or indirectly
- iii) Level 3 -Inputs that are not based on observable market data

# Notes to the Financial Statements

30 June 2020 (continued)

## 34. Fair value of financial instruments (continued)

### (b) Fair value hierarchy (continued)

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

External valuers are involved for valuation of significant assets, such as investment properties.

Involvement of external valuers is decided upon annually by the senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Senior management, in conjunction with the Group's external valuers, also compare each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

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

As at 30 June 2020 and 30 June 2019, the Group held the following assets and liability carried at fair value in the statements of financial position:

<b>Group</b>	<b>2020 RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>
<b>Assets measured at fair value</b>				
Investment properties	42,800	-	42,800	-
Biological assets	79	-	-	79
Financial assets	418,397	390,272	-	28,125
Derivative financial assets	2,383	2,330	-	53
<b>Liability measured at fair value</b>				
Derivative financial liabilities	2,036	1,070	-	966
<b>Group</b>				
	<b>2019 RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>
<b>Assets measured at fair value</b>				
Investment properties	45,700	-	45,700	-
Biological assets	37	-	-	37
Financial assets	511,476	511,476	-	-

# Notes to the Financial Statements

30 June 2020 (continued)

## 34. Fair value of financial instruments (continued)

### (b) Fair value hierarchy (continued)

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

#### Financial assets and derivative financial instruments

The valuation of unquoted financial instruments uses valuation models and assumptions based on market conditions. The valuation models incorporate various market observable inputs, including risk-free rate, volatility of the underlying assets and quoted price of the underlying assets. Where applicable data is not observable, the best estimate based on realistic market assumptions is used.

## 35. Financial risk management objectives and policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, liquidity risk, credit risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial instruments with floating interest rates. The Group is not exposed to any significant fluctuation in interest rate.

The Group has a policy to ensure that the rates obtained are competitive so as to ensure that its cost of financing is kept at the lowest possible. The Group does not generally hedge interest rate risks.

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group strive to maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

# Notes to the Financial Statements

30 June 2020 (continued)

## 35. Financial risk management objectives and policies (continued)

### (b) Liquidity risk (continued)

#### Analysis of financial instruments by remaining contractual maturities

The table below summarised the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to two years RM'000	Two to five years RM'000	Total RM'000
<b>30 June 2020</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	40,444	308	-	40,752
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	262,941	-	-	262,941
<b>30 June 2019</b>				
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	34,333	245	-	34,578
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	229,796	-	-	229,796

### (c) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

#### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

#### Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

# Notes to the Financial Statements

30 June 2020 (continued)

## 35. Financial risk management objectives and policies (continued)

### (c) Credit risk (continued)

	2020		2019	
	RM'000	% of total	RM'000	% of total
Property development	15,412	51%	5,460	66%
Construction	4,245	15%	601	8%
Plantation	451	1%	167	2%
CPO trading	8,856	29%	-	0%
Investment holding and others	1,449	5%	1,983	24%
	<b>30,413</b>	<b>100%</b>	<b>8,211</b>	<b>100%</b>

#### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17.

### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency).

The foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level.

As at 30 June 2020, if RM had weakened/strengthened by 5% against the foreign currencies with all other variables held constant, the impact on the post-tax (loss)/profit for the financial year are tabulated below:

	2020		2019	
	+5% RM'000	-5% RM'000	+5% RM'000	-5% RM'000
<b>SGD</b>				
Impact on post tax (loss)/profits	316	(316)	2,518	(2,518)
<b>USD</b>				
Impact on post tax (loss)/profits	3,805	(3,805)	20	(20)
<b>GBP</b>				
Impact on post tax (loss)/profits	998	(998)	-	-

The exposure to other foreign currency risk of the Group and the Company is not material and hence, sensitivity analysis is not presented.

# Notes to the Financial Statements

30 June 2020 (continued)

## 35. Financial risk management objectives and policies (continued)

### (e) Changes in liabilities arising from financing activities

	2020		2019	
	Term loan RM'000	Hire purchase RM'000	Term loan RM'000	Hire purchase RM'000
<b>At 1 July 2019/2018</b>	-	-	2,178	828
Cash flows:				
Principal repayment	-	-	(2,178)	(1,136)
Interest payment	-	-	(126)	(20)
New drawdown	-	-	-	308
Non-cash flows: interest expense	-	-	126	20
<b>As at 30 June</b>	-	-	-	-

## 36. Capital management

The primary objective of the Group's and the Company's capital management are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximises shareholder value.

The Group and the Company manage its capital structure and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's endeavour to maintain healthy gearing ratio and regularly monitor the gearing level to ensure compliance with loans covenant. The Group includes within net debt, borrowings, trade and other payables, less cash and bank balances. Capital includes total equity attributable to owners of the parent.

No changes were made in the objectives, policies or processes during the years ended 30 June 2020 and 30 June 2019.

## 37. Significant event

On 30 July 2020, KHE entered into a sale and purchase agreement with OPSB and United Malaysian Properties Sdn. Bhd. ("UMP"), both wholly-owned subsidiaries of OIB, for the purchase of a condominium unit bearing postal address at Unit No. 1-3, 9 Madge, No. 9, Jalan Madge, 55000 Kuala Lumpur measuring approximately 3,240 square feet together with the car park lot nos. 7, 8 and 9 for a total cash consideration of RM3,100,000.

## 38. Comparative figures

Certain comparative amounts of the Company have been reclassified to conform with current year's presentation.

# Analysis of Shareholdings

as at 15 September 2020

Total number of issued shares	:	846,118,039 shares
Treasury shares held by the Company	:	10,318,600 shares
Class of shares	:	Ordinary shares
Voting rights (on a poll)	:	1 vote for each ordinary share held
Number of shareholders	:	14,515

## DISTRIBUTION OF SHAREHOLDINGS

(as per the Record of Depositors)

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares <sup>^</sup>
Less than 100	1,265	8.72	35,687	0.00
100 to 1,000	8,656	59.64	2,921,938	0.35
1,001 to 10,000	2,683	18.48	13,289,385	1.59
10,001 to 100,000	1,575	10.85	54,531,843	6.53
100,001 to less than 5% of issued shares	334	2.30	303,045,111	36.26
5% and above of issued shares	2	0.01	461,975,475	55.27
<b>Total</b>	<b>14,515</b>	<b>100.00</b>	<b>835,799,439<sup>^</sup></b>	<b>100.00</b>

## SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

(as per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares <sup>^</sup>	No. of Shares Held	% of Issued Shares <sup>^</sup>
Kenny Height Developments Sdn Bhd	268,570,615	32.13	-	-
Duta Equities Sdn Bhd	223,904,860 <sup>+</sup>	26.79	-	-
Tan Sri Dato' Yap Yong Seong	25,600 <sup>#</sup>	Negligible	492,559,458 <sup>*</sup>	58.93
Yap Wee Chun	28,200	Negligible	492,559,458 <sup>*</sup>	58.93
Dato' Sri Yap Wee Keat	100,000 <sup>#</sup>	0.01	492,559,458 <sup>*</sup>	58.93
Puan Sri Datin Leong Li Nar	-	-	492,559,458 <sup>*</sup>	58.93

## DIRECTORS' INTERESTS IN SHARES IN THE COMPANY

(as per the Register of Director's Shareholdings)

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares <sup>^</sup>	No. of Shares Held	% of Issued Shares <sup>^</sup>
Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah	-	-	-	-
Tan Sri Dato' Yap Yong Seong	25,600 <sup>#</sup>	Negligible	492,559,458 <sup>*</sup>	58.93
Yap Wee Chun	28,200	Negligible	492,559,458 <sup>*</sup>	58.93
Dato' Sri Yap Wee Keat	100,000 <sup>#</sup>	0.01	492,559,458 <sup>*</sup>	58.93
Cheong Wong Sang	-	-	-	-
Dato' Hazli bin Ibrahim	-	-	-	-
Dato' Abdul Majit bin Ahmad Khan	-	-	-	-

Notes:

<sup>+</sup> Held in own name and in nominee's name.

<sup>#</sup> Held in nominee's name.

<sup>\*</sup> Deemed to have interests in DutaLand shares held by other corporations by virtue of Section 8(4) of the Companies Act 2016.

<sup>^</sup> Excluding 10,318,600 treasury shares held by the Company based on the Record of Depositors dated 15 September 2020.

# Analysis of Shareholdings

as at 15 September 2020 (continued)

## 30 LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares Held	% of Issued Shares <sup>^</sup>
1.	Kenny Height Developments Sdn Bhd	268,570,615	32.13
2.	Duta Equities Sdn Bhd	187,234,360	22.40
3.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Duta Equities Sdn Bhd (MY2961)	30,500,000	3.65
4.	Pacific Element Sdn Bhd	29,879,512	3.58
5.	AllianceGroup Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Long Set Investments Ltd	22,412,800	2.68
6.	Teoh Guan Kok & Co. Sdn Berhad	18,842,300	2.25
7.	Maybank Nominees (Tempatan) Sdn Bhd SDB Asset Management Sdn Bhd for Sabah Development Bank Berhad (270223)	13,032,359	1.56
8.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck (MY0696)	8,000,000	0.96
9.	Lim Pei Tiam @ Lian Ahat Kiat	7,909,000	0.95
10.	Tham Kin Foong (John)	6,688,600	0.80
11.	Duta Equities Sdn Bhd	6,170,500	0.74
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Yiew On (6000006)	5,262,400	0.63
13.	Lim Kok Thay	5,200,000	0.62
14.	AllianceGroup Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Katong Assets Limited	5,100,000	0.61
15.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Pay Kaon	5,000,000	0.60
16.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Regional Equities Sdn Bhd	4,213,300	0.50
17.	Teo Kwee Hock	3,940,100	0.47
18.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Lee Ling (PBCL-0G0594)	3,800,000	0.46
19.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	3,477,900	0.42
20.	Tham Kin Yip	3,393,300	0.41
21.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	3,099,371	0.37
22.	See Hong Cheen @ See Hong Chen	2,958,000	0.35
23.	Teoh Liang Huat @ Teoh Lean Huat	2,925,600	0.35
24.	Ng Teng Song	2,904,200	0.35
25.	Phua Jin Hock	2,766,000	0.33
26.	Fung Lee Yin	2,333,600	0.28
27.	CIMSEC Nomines (Tempatan) Sdn Bhd CIMB for Lai Ming Chun @ Lai Poh Lin (PB)	2,200,000	0.26
28.	Ong Yan Chen	1,781,000	0.21
29.	British Image Sdn Bhd	1,744,600	0.21
30.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Craftsman Special Opportunities LP	1,678,400	0.20
	<b>Total</b>	<b>663,017,817</b>	<b>79.33</b>

<sup>^</sup> Excluding 10,318,600 treasury shares held by the Company based on the Record of Depositors dated 15 September 2020.

# Properties held by the Group

as at 30 June 2020

Location/ Address	Description/ Existing Use	Tenure	Land Area (Acres)	Year of Acquisition/ (Revaluation)	Net Book Value (RM'000)
(1) <b>Duta Grand Hotels Sdn Bhd</b> Lot Nos. 10, 30, 33, 34, 35 & 36 Section 45 Kuala Lumpur	Land for mixed development under construction	Freehold	2.36	1996	349,347
(2) <b>Tegas Komposit Sdn Bhd</b> Lots 64, 65 & 66 Section 45 Kuala Lumpur	Land for mixed development	Leasehold expiring 2100	0.44	2001	3,980
(3) <b>City Properties Development Sdn Bhd</b> Lot Nos. 200 & 203 Section 43 Kuala Lumpur	Land for mixed development	Freehold	0.67	2007, 2009	16,131
(4) <b>Oakland Holdings Sdn Bhd</b> Lot No. 57552 Mukim Batu Kuala Lumpur	Land for mixed development	Freehold	0.61	2017	15,495
Lot Nos. PT3258 & PT3259 Mukim Pekan Bukit Kepayang, Seremban	Land for mixed development	Freehold	4.53	1991	7,805
(5) <b>Pertama Land &amp; Development Sdn Bhd</b> Agriculture land District of Sandakan Sabah Sandakan Sabah	Agriculture land/Oil palm plantation	Leasehold expiring 2080	989.98	(2015)	9,232
(6) <b>KH Estates Sdn Bhd</b> 9 Madge, Jalan Madge Taman U-Thant 55000 Kuala Lumpur	12 condominium units together with 39 car park bays, part of a low rise luxury residences block, rented/to be rented	Freehold	0.74	2019	42,800

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the **Fifty-Third Annual General Meeting** (“AGM”) of DutaLand Berhad (“the Company”) will be conducted as a **fully virtual meeting** through live streaming from the broadcast venue at Board Room, Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur (“Broadcast Venue”) on **Thursday, 5 November 2020 at 11.00 a.m.**, to transact the following businesses:

## **AGENDA**

### **As Ordinary Business:**

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon. *Please refer to Explanatory Note 1*
2. To approve and declare a first and final single-tier dividend of 1 sen per ordinary share for the financial year ended 30 June 2020. **Ordinary Resolution 1**
3. To approve the following payments to Non-Executive Directors:
  - (i) Directors’ fees of RM240,000 for the financial year ended 30 June 2020; and **Ordinary Resolution 2**
  - (ii) Directors’ meeting allowance of up to RM80,000 for the period from the Fifty-Third AGM until the next AGM of the Company. **Ordinary Resolution 3**
4. To re-elect the following Directors who retire by rotation pursuant to Clause 101(1) of the Constitution of the Company and, being eligible, offer themselves for re-election:
  - (i) Tan Sri Dato’ Yap Yong Seong; **Ordinary Resolution 4**
  - (ii) Dato’ Abdul Majit bin Ahmad Khan; and **Ordinary Resolution 5**
  - (iii) Mr Cheong Wong Sang. **Ordinary Resolution 6**
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

### **As Special Business:**

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

6. **CONTINUING IN OFFICE AS INDEPENDENT DIRECTORS**
  - (i) “THAT approval be and is hereby given for Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah, who has served as an Independent Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Director.” **Ordinary Resolution 8**
  - (ii) “THAT approval be and is hereby given for Dato’ Hazli bin Ibrahim, who has served as an Independent Director of the Company for a cumulative term of more than 12 years, to continue to act as Independent Director.” **Ordinary Resolution 9**
  - (iii) “THAT, subject to passing of Ordinary Resolution 6, approval be and is hereby given for Mr Cheong Wong Sang, who has served as an Independent Director of the Company for a cumulative term of more than 12 years, to continue to act as Independent Director.” **Ordinary Resolution 10**

# Notice of Annual General Meeting

(continued)

## 7. AUTHORITY TO ISSUE AND ALLOT SHARES

Ordinary Resolution 11

“THAT, subject to the Companies Act 2016 and approval of the relevant regulatory bodies, if required, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company from time to time pursuant to Sections 75 and 76 of the Companies Act 2016 and upon such terms and conditions for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of the issued shares of the Company for the time being AND THAT the Directors of the Company be and are hereby authorised and empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

## 8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

Ordinary Resolution 12

“THAT approval be and is hereby given to the Company and/or its subsidiaries (“the Group”) to enter into all arrangements and/or transactions involving the interests of the Directors, major shareholders and/or persons connected with the Directors and/or major shareholders of the Group (“Related Parties”), comprising recurrent related party transactions of a revenue or trading nature and recurrent related party transactions pertaining to provision of financial assistance as respectively set out under sections 2.4(a) and 2.4(b) in Part A of the Circular/ Statement to Shareholders dated 7 October 2020 of the Company (“Proposed RRPT Mandate”), provided that such recurrent related party transactions are carried out in the ordinary course of business; necessary for the day-to-day operations of the Group; on normal commercial terms which are consistent with the Group’s normal business practices and policies; on terms not more favourable to the Related Parties than those generally available to the public; and not to the detriment of the minority shareholders of the Company.

AND THAT such authority conferred by the shareholders of the Company, upon passing this resolution pertaining to the Proposed RRPT Mandate, will continue to be in force until:

- (i) the conclusion of the next AGM of the Company unless, by a resolution passed at the next AGM of the Company, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company, after that date, is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“Act”) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) the authority is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised and empowered to take all such steps and do all such acts and things as they may consider expedient or necessary in the best interests of the Company including execution of all such documents, as may be required, to implement, complete and give effect to the Proposed RRPT Mandate.”

# Notice of Annual General Meeting

(continued)

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK** **Ordinary Resolution 13**

"THAT the Directors be and are hereby authorised to purchase the ordinary shares of the Company ("Shares") through the stock exchange of Bursa Malaysia Securities Berhad ("Bursa Securities") at any time upon such terms and conditions as the Directors may, in their absolute discretion, deem fit provided that:

- (i) the aggregate number of Shares to be purchased and/or held by the Company shall not exceed 10% of the total number of issued Shares of the Company; and
- (ii) the funds allocated for the purchase of Shares shall not exceed the retained profits of the Company,

("Proposed Share Buy-back Mandate").

AND THAT the Directors be and are hereby authorised to deal with the Shares so purchased, in their absolute discretion, which may be distributed as dividends, resold, transferred, cancelled and/or in any other manner as prescribed by the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Securities and the relevant rules, regulations and/or requirements.

AND THAT such authority conferred by the shareholders of the Company, upon passing this resolution pertaining to the Proposed Share Buy-back Mandate, shall commence immediately and continue to be in force until:

- (i) the conclusion of the next AGM of the Company unless, by an ordinary resolution passed at the next AGM of the Company, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company, after that date, is required to be held pursuant to Section 340(2) of the Act but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised and empowered to take all such steps and do all such acts and things as they may consider expedient or necessary in the best interests of the Company including execution of all such documents, as may be required, to implement, complete and give effect to the Proposed Share Buy-back Mandate."

10. To transact any other business of an AGM for which due notice shall have been given.

# Notice of Annual General Meeting

(continued)

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN** that, subject to the approval of the shareholders at the Fifty-Third Annual General Meeting of the Company, the first and final single-tier dividend of 1 sen per ordinary share for the financial year ended 30 June 2020 will be paid on 26 November 2020 to depositors whose names appear in the Record of Depositors on 12 November 2020.

**FURTHER NOTICE IS HEREBY GIVEN** that a depositor shall qualify for entitlement to the first and final single-tier dividend in respect of:

- (i) shares transferred into the depositor's securities account before 4.30 p.m. on 12 November 2020 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

## BY ORDER OF THE BOARD

**Kwan Wai Sin** [MAICSA 7035227 (SSM PC No. 201908000481)]

**Lim Yoke Si** [MAICSA 0825971 (SSM PC No. 202008000548)]

Company Secretaries

Kuala Lumpur  
7 October 2020

### Notes:

1. The Fifty-Third Annual General Meeting of the Company ("AGM") will be conducted on a **fully virtual** basis through live streaming via the remote participation and voting (RPV) facilities provided by the Share Registrar of the Company at <https://tjih.online>.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairperson of the meeting to be present at the main venue of the AGM. **No members or proxies/corporate representatives/attorneys appointed/authorised shall be physically present at the AGM (in the Broadcast Venue).**
3. Members of the Company whose names appear in the Record of Depositors as at 28 October 2020 shall be entitled to participate and vote remotely at the AGM through <https://tjih.online>. In this context, the term 'participate' aforesaid shall include the right to posing questions to the Board via real time submission of typed texts at the portal specified above.
4. Members and all proxies/corporate representatives/attorneys duly appointed/authorised who wish to participate and vote remotely at the AGM shall firstly **register** at <https://tjih.online>, **no later than the cut-off date/time** as per the **AGM Administrative Details** in accordance with the relevant procedures therein.
5. Each member is entitled to appoint not more than 2 proxies to participate and vote remotely on his/her/its behalf. A proxy may but need not be a member of the Company. Any member who appoints more than 1 proxy without specifying in the Proxy Form the proportion of the shareholdings to be represented by each proxy, such appointment shall be invalid.
6. A member who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held. A member who is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in a securities account ("Omnibus Account"), there is no limit to the number of proxies such member may appoint in respect of each Omnibus Account held.
7. Appointment of proxy(ies) may be made as follows **no later than 11.00 a.m. on Tuesday, 3 November 2020**, as more particularly described in the **AGM Administrative Details**:
  - (i) **Appointment of proxy electronically**  
**Individual members** may appoint a proxy electronically through <https://tjih.online>; or
  - (ii) **Hard copy Proxy Form**  
**All members** may also appoint a proxy by way of a duly executed hard copy Proxy Form which must be **deposited** at the Share Registrar's office below:
    - Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
    - The Customer Service Centre (Tricor Investor & Issuing House Services Sdn Bhd), Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.The Proxy Form shall be completed with all the appropriate information required and signed with a date inserted thereon. Appointment of proxy by any corporate member, its Proxy Form must be executed under its common seal or under the hand of its attorney duly authorised in writing or in accordance with the applicable laws for the time being in force.
8. Any authority to appoint a proxy which is made by way of power of attorney and for any corporate members who appoint representatives to participate and vote remotely, shall adhere to the documents submission requirement no later than the cut-off date/time as per the AGM Administrative Details in accordance with the relevant procedures therein.
9. The **AGM Administrative Details** aforesaid is available at the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).
10. You are advised to read and understand the contents of the Personal Data Protection Statement which is annexed with the Notice of AGM before providing any relevant personal data for the appointment of proxy(ies).
11. All resolutions as set out herein will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

# Notice of Annual General Meeting

(continued)

## EXPLANATORY NOTES FOR AGENDA ITEMS

### 1. Audited Financial Statements 2020

Agenda 1 is for presentation of the Audited Financial Statements 2020 and the Reports of the Directors and Auditors thereon to shareholders in accordance with Section 340(1) of the Companies Act 2016 (“Act”) and for discussion during the Annual General Meeting (“AGM”). No voting is required.

### 2. First and final single-tier dividend (Ordinary Resolution 1)

Pursuant to Section 131(1) of the Act, the Company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. Pursuant to Section 132(3) of the Act, the Company is regarded as solvent if the Company is able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made. On basis of the above, the Directors recommend to the shareholders the proposed first and final single-tier dividend as they are satisfied that the Company will be solvent after making the dividend payment.

### 3. Payment of fees and meeting allowance to Directors (Ordinary Resolutions 2 and 3)

Shareholders’ approval is sought for the proposed fees of RM48,000.00 for each Non-Executive Director for the financial year 2020. Approval is also sought for the meeting allowance payable to Non-Executive Directors based on the estimated number of Board/Board Committees/general meetings being held during the period between this AGM and the next AGM. The said payments to Non-Executive Directors, as recommended by the Remuneration Committee and duly endorsed by the Board, reflect the quality and effectiveness as well as the time, effort and commitment in fulfilling their responsibilities to the Board/Board Committees.

### 4. Re-election of Directors (Ordinary Resolutions 4, 5 and 6)

The Board conducted an annual assessment of all the members of the Board/Board Committees for the financial year 2020 with which the Board endorsed on the Nomination Committee’s recommendation (where the relevant Directors had abstained) for the re-election of Tan Sri Dato’ Yap Yong Seong, Dato’ Abdul Majit bin Ahmad Khan and Mr Cheong Wong Sang due to their vast experiences and contributions to the Company.

### 5. Re-appointment of Auditors (Ordinary Resolution 7)

The appointment of Messrs Ernst & Young PLT (“EY”) as Auditors of the Company shall end at the conclusion of this AGM. The Audit Committee had conducted an annual assessment of the Auditors for the financial year 2020 and the Board endorsed on the recommendation of the Audit Committee for the re-appointment of EY as Auditors of the Company until the conclusion of the next AGM.

### 6. Retention of Independent Directors (Ordinary Resolutions 8, 9 and 10)

The proposed resolutions, if passed, will enable Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah (who has served as Independent Director for more than 9 years), Dato’ Hazli bin Ibrahim (more than 12 years) and Mr Cheong Wong Sang (more than 12 years) to continue in office without any re-designation.

The Nomination Committee had conducted an annual assessment on the performance and independence of all Directors and the Board concurred with the Nomination Committee that:

- All Independent Directors of the Company fulfil the criteria of Independent Director pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad.
- Each Independent Director had demonstrated independence in his character and judgement as a Board member and the designated roles in Board Committees, whilst also contributed positively to the Board/Board Committees’ deliberations as well as demonstrated objective judgement, with diverse perspectives and insights, during the decision making process.

Notwithstanding the best practice of the Malaysian Code on Corporate Governance recommends that the Board should seek annual shareholders’ approval through a two-tier voting process for retaining an Independent Director after the 12<sup>th</sup> year, the Board (the Directors concerned had abstained from relevant deliberation and decision making) decided that Ordinary Resolutions 9 and 10 shall put forward for voting as ordinary resolutions in accordance with Section 291 of the Act (single-tier voting) given the Board’s justification above and more particularly delineated in the Corporate Governance Report and the Corporate Governance Overview Statement as included in the Annual Report 2020.

# Notice of Annual General Meeting

(continued)

## 7. Authority to issue shares (Ordinary Resolution 11)

The proposed resolution, if passed, will renew the mandate obtained at the last AGM and authorise the Directors to issue and allot up to 10% of the total number of issued shares of the Company, for purposes of, including but not limited to, fundraising activities, placement of shares, funding future investments or projects, working capital and/or acquisitions and so forth. The general mandate, if renewed, will provide flexibility and expediency for issuance of new shares. As at the date of this Notice of AGM, the Company did not issue any new shares and hence no proceeds were raised during which the existing mandate is in force pursuant to the Act.

## 8. Renewal of mandate for recurrent related party transactions (Ordinary Resolution 12)

The proposed resolution, if passed, will renew the shareholders' mandate obtained at the last AGM and allow DutaLand Berhad Group to enter into the recurrent related party transactions of a revenue or trading nature and provision of financial assistance as detailed in Part A of the Circular/Statement to Shareholders dated 7 October 2020.

## 9. Renewal of mandate for share buy-back (Ordinary Resolution 13)

The proposed resolution, if passed, will renew the shareholders' mandate obtained at the last AGM and authorise the Directors to purchase not exceeding 10% of the total number of issued shares of the Company from time to time and hold the shares so purchased in the manner as the Directors may deem appropriate in accordance with the Act as detailed in Part B of the Circular/Statement to Shareholders dated 7 October 2020.

## STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### 1. Election of Directors

No individual is seeking election as Director of the Company at the Fifty-Third Annual General Meeting of the Company ("AGM"). Directors standing for re-election and seeking shareholders' approval to continue to act as Independent Directors at the AGM are as set out in the Notice of AGM and the explanatory notes herein. The profile of all Directors is incorporated in the Annual Report 2020 of the Company. The details of the Directors' interests in the securities of the Company are set out in the Analysis of Shareholdings of this Annual Report 2020.

### 2. General mandate for issuance of shares

Shareholders' approval is sought at this AGM for the proposed renewal of the general mandate obtained at the last AGM for the issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016 and in accordance with Paragraph 6.03(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The said general mandate, if renewed, will provide flexibility and expediency for issuance of new shares for purposes of, including but not limited to, fundraising activities, placement of shares, funding future investments or projects, working capital and/or acquisitions and so forth. As at the date of this Notice of AGM, the Company did not issue any new shares and hence no proceeds were raised during which the existing mandate is in force.

## PERSONAL DATA PROTECTION STATEMENT

Any member of the Company, by submitting an instrument (hard copy or electronically) to appoint a proxy(ies) and/or representative(s) to attend/speak/participate/vote (including vote remotely via electronic means) on such member's behalf at the Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, shall indicate that the member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance/participation lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of breach of warranty by such member.

# Annual General Meeting Administrative Details

## MODE OF AGM

The 53<sup>rd</sup> Annual General Meeting (“AGM”) of DutaLand Berhad (“the Company”) will be conducted entirely through live streaming from the broadcast venue as follows:

Date	<b>5 November 2020 (Thursday)</b>
Time	<b>11.00 a.m.</b>
Mode	<b>Fully virtual</b> via RPV <sup>Note 1</sup> facilities provided by our Share Registrar <sup>Note 2</sup> through <a href="https://tjih.online">https://tjih.online</a>
Broadcast venue	Board Room, Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur <b>(“Broadcast Venue”)</b>

Note 1 - RPV means remote participation and voting.

Note 2 - Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”).

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairperson of the meeting to be present at the main venue of the AGM. **No shareholders or proxies/corporate representatives/attorneys appointed/authorised shall be physically present at the AGM (in the Broadcast Venue).**

Shareholders of the Company whose names appear in the Record of Depositors as at **28 October 2020** shall be entitled to participate remotely and vote online at the AGM (via RPV facilities) through TIH Online’s website (<https://tjih.online>). In this context, the term ‘participate’ aforesaid shall include the right to posing questions to the Directors via real time submission of typed texts at the portal specified above.

Shareholders who wish to participate remotely and vote online at the AGM shall firstly **register** at <https://tjih.online>, commencing on **7 October 2020** (Wednesday) from 11.00 a.m. onwards up to **5 November 2020** (Thursday), before the online voting session ends to be announced by the Chairman of the meeting. The relevant procedures for registration and the cut-off date/time are set out in separate sections hereinunder.

## MODE OF VOTING

All resolutions as set out herein will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company has appointed Tricor as the poll administrator to conduct the poll by way of remote electronic voting.

Shareholders/proxies/corporate representatives/attorneys duly appointed/authorised may proceed to vote via <https://tjih.online> at any time from the commencement of the AGM before the remote voting session ends to be announced by the Chairman of the meeting. The independent scrutineers appointed will then verify the poll results and the Chairman of the meeting shall announce the results to shareholders in due course.

## ANNUAL REPORT 2020

The Annual Report 2020 and Circular/Statement to Shareholders 2020 have been published and made available at the Company’s website ([www.dutaland.com.my](http://www.dutaland.com.my)) and Bursa Securities’ website ([www.bursamalaysia.com](http://www.bursamalaysia.com)). Should you wish to receive the printed copy of the aforesaid documents, kindly request through <https://tjih.online> or send us the relevant request form and the printed copy required will be sent to you as soon as reasonably practicable.

# Annual General Meeting Administrative Details

(continued)

## SIGNING UP & REGISTRATION FOR REMOTE PARTICIPATION AND ONLINE VOTING AT AGM

Shareholders/proxies/corporate representatives or attorneys duly appointed/authorised, who wish to participate remotely and/or vote online at the AGM, are required to follow the procedures as detailed below:

BEFORE THE AGM DAY		
	Procedures	Actions
(a)	Sign up as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the TIIH Online's website at <a href="https://tiih.online">https://tiih.online</a>, and sign up as a new user under the "e-Services" (please refer to the tutorial guide posted on the homepage for assistance).</li> <li>You will receive an email (within one working day) notifying that you have signed up successfully as a new user of TIIH Online.</li> <li>This procedure (a) is not registration for remote participation and online voting at the AGM. Please proceed to next procedure (b) below for registration.</li> </ul> <p>(Note: If you have previously signed up as a user of TIIH Online, you are not required to sign up again, instead, you may proceed to procedure (b) below.)</p>
(b)	Submit your request to register for remote participation and online voting i.e. RPV facilities	<ul style="list-style-type: none"> <li><b>Registration</b> will be commencing from <b>11.00 a.m. on 7 October 2020 (Wednesday) up to 5 November 2020 (Thursday)</b>, before the online voting session ends.</li> <li>Log in with your <b>user ID and password</b> at <a href="https://tiih.online">https://tiih.online</a> and select the <b>corporate event: "(REGISTRATION) DUTALND 53<sup>RD</sup> AGM"</b>.</li> <li>Read and agree to the relevant 'Terms &amp; Conditions' set out therein, and then confirm the 'Declaration'.</li> <li>Select "<b>Register for Remote Participation and Voting</b>"; review your registration; and proceed to <b>register</b>.</li> <li>The system will then send an email notifying that your application for registration above has been received and it will be verified by the system.</li> <li>After verification of your registration (against the Record of Depositors of the Company as at 28 October 2020), the system will notify you through email, on or before 3 November 2020, that your registration is approved or rejected.</li> </ul>
ON THE AGM DAY		
	Procedures	Actions
(c)	Log in to TIIH Online	<ul style="list-style-type: none"> <li>Log in with your user ID and password at <a href="https://tiih.online">https://tiih.online</a> for remote participation at the AGM of the Company at any time <b>from 10.30 a.m.</b> i.e. 30 minutes before the commencement of the AGM <b>on 5 November 2020 (Thursday)</b>.</li> </ul>
(d)	Participate in AGM through live streaming	<ul style="list-style-type: none"> <li>Select the <b>corporate event: "(LIVE STREAM MEETING) DUTALND 53<sup>RD</sup> AGM"</b> to engage in the proceedings of the AGM remotely.</li> <li>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. The responses may also be e-mailed to you after the AGM when there is a time constraint during the AGM.</li> </ul>
(e)	Online remote voting	<ul style="list-style-type: none"> <li><b>Voting session</b> will be commencing <b>from 11.00 a.m. on 5 November 2020 (Thursday)</b>, until a time when the Chairman announces the completion of the voting session of the AGM.</li> <li>Select the <b>corporate event: "(REMOTE VOTING) DUTALND 53<sup>RD</sup> AGM"</b> or if you are on the live stream meeting webpage, you may select the button "<b>GO TO REMOTE VOTING PAGE</b>" below the query box.</li> <li>Read and agree to the relevant 'Terms &amp; Conditions' set out therein, and then confirm the 'Declaration'.</li> <li>Select the Central Depository System ("CDS") account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(f)	End of RPV	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairman on the closure of the AGM of the Company, the live streaming (for remote participation and voting) will end.</li> </ul>

# Annual General Meeting Administrative Details

(continued)

## Notes:

- (i) Should your registration for RPV facilities to join the AGM be approved, the system will make available your rights to join the live streamed AGM and to vote remotely. Cross-reference : procedures (a) and (b) as tabulated above.
- (ii) Your log in to TIIH Online's website (at <https://tiih.online>) on the AGM day (5 November 2020) will indicate your presence at the virtual meeting. Cross-reference : procedure (c) as tabulated above.
- (iii) Confirmation may take time as signing up as new TIIH Online user and/or registration for RPV (for remote participation and online voting at the AGM) will only be confirmed following verification processes. You may want to take the necessary action as early as possible.
- (iv) The quality of the live streaming is dependent on the bandwidth and stability of the device used by the remotored participants and the internet connection at the location.
- (v) Should you need any assistance on the RPV facilities (e.g. signing-up / registration / connection / remote participation / online voting, etc.), please call **Tricor's helpline** at +6011-4080 5616 / +6011-4080 3168 / +6011-4080 3169 / +6011-4080 3170, or email to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com).

## APPOINTMENT OF PROXY

Each shareholder is entitled to appoint not more than 2 proxies to participate and vote remotely on his/her/its behalf. A proxy may but need not be a shareholder of the Company. Any shareholder who appoints more than 1 proxy without specifying in the Proxy Form the proportion of the shareholdings to be represented by each proxy, such appointment shall be invalid.

A shareholder who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held. A shareholder who is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in a securities account ("Omnibus Account"), there is no limit to the number of proxies such shareholder may appoint in respect of each Omnibus Account held.

Appointment of proxy(ies) may be made as follows:

- (i) **Individual shareholders** may appoint a proxy **electronically** through <https://tiih.online> (see procedures hereinbelow) **no later than 11.00 a.m. on 3 November 2020 (Tuesday)**; or
- (ii) **All shareholders** may also appoint a proxy by way of a duly executed **hard copy Proxy Form** which must be **deposited** at the Share Registrar's office below **no later than 11.00 a.m. on 3 November 2020 (Tuesday)**:
  - Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
  - The Customer Service Centre (Tricor Investor & Issuing House Services Sdn Bhd), Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The Proxy Form shall be completed with all the appropriate information required and signed with a date inserted thereon. Appointment of proxy by any corporate shareholder, the Proxy Form must be executed under its common seal or under the hand of its attorney duly authorised in writing or in accordance with the applicable laws for the time being in force.

- (iii) Any authority to appoint a proxy that is made by way of power of attorney, the power of attorney or a copy of which duly certified notarially pursuant to the applicable legal requirements in the jurisdiction where it is executed must also be **deposited** at the Share Registrar's office below **no later than 11.00 a.m. on 3 November 2020 (Tuesday)**:
  - Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or

# Annual General Meeting Administrative Details

(continued)

- The Customer Service Centre (Tricor Investor & Issuing House Services Sdn Bhd), Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Notwithstanding the manner of which a proxy is appointed, the proxies/corporate representatives/attorneys duly appointed/authorised must also **register** at <https://tiih.online> so as to participate remotely and vote online at the AGM. The relevant procedures for registration and the cut-off date/time are set out in the section hereinabove.

## APPOINTMENT OF PROXY ELECTRONICALLY

The procedures to appoint proxy electronically (by individual shareholders) are required to follow the procedures as detailed below:

BEFORE THE AGM DAY		
	Procedures	Actions
(a)	Sign up as a user with TIH Online	<ul style="list-style-type: none"><li>• Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>, and sign up as a user under the “e-Services”.</li><li>• Please refer to the tutorial guide posted on the homepage for assistance.</li></ul> (Note: If you have previously signed up as a user of TIH Online, you are not required to sign up again, instead, you may proceed to procedure (b) below.)
(b)	Proceed to appoint proxy electronically	<ul style="list-style-type: none"><li>• Individual shareholders may opt to appoint proxy(ies) electronically no later than <b>11.00 a.m. on 3 November 2020 (Tuesday)</b>.</li><li>• Log in with your user ID (your email address) and password at <a href="https://tiih.online">https://tiih.online</a>.</li><li>• Select the <b>corporate event: “Submission of Proxy Form”</b>.</li><li>• Read and agree to the relevant ‘Terms &amp; Conditions’ set out therein, and then confirm the ‘Declaration’</li><li>• Insert your CDS account number and indicate the number of shares represented by your proxy(ies) to vote on your behalf.</li><li>• Insert the required details of your proxy(ies) to appoint your proxy(ies) or you may appoint the Chairman of the AGM as your proxy.</li><li>• Indicate your voting instructions i.e. ‘FOR’ or ‘AGAINST’ for your proxy to vote on your behalf, otherwise your proxy will decide your vote.</li><li>• Review and confirm your proxy(ies) appointment.</li><li>• Print out the confirmation of proxy(ies) appointment for record.</li></ul>

## CORPORATE REPRESENTATIVES

For corporate shareholders who appoint representatives to participate and vote remotely at the AGM on its behalf, the duly executed original certificate of appointment of corporate representative must be deposited at the Share Registrar’s office below **no later than 11.00 a.m. on 3 November 2020 (Tuesday)**:

- Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
- The Customer Service Centre (Tricor Investor & Issuing House Services Sdn Bhd), Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia,

and that the aforesaid certificate of appointment must be executed under the common seal or in accordance with the applicable laws for the time being in force.

# Annual General Meeting Administrative Details

(continued)

## SUBMISSION OF QUESTIONS TO THE BOARD

Shareholders/proxies may:

- (a) submit questions for the Board in advance through <https://tiih.online> by selecting “e-Services” to log in and pose/submit questions electronically **no later than 11.00 a.m. on 3 November 2020 (Tuesday)**; or
- (b) submit questions via the query box at <https://tiih.online> during the AGM.

## RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the AGM of the Company is strictly prohibited.

## DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or vouchers for this AGM of the Company.

## ENQUIRIES

If you have any enquiries on the above, please contact the following persons during office hours, Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

**Tricor Investor & Issuing House Services Sdn Bhd**

General line : +603-2783 9299

Fax no. : +603-2783 9222

Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Contact persons : Encik Amier Arief (call +603-2783 9250 / email to [Amier.Arief@my.tricorglobal.com](mailto:Amier.Arief@my.tricorglobal.com))

Encik Sazali Husin (call +603-2783 9280 / email to [Sazali@my.tricorglobal.com](mailto:Sazali@my.tricorglobal.com))

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# DutaLand Berhad

Company Registration No. 196701000326 (7296-V)

## PROXY FORM

CDS account no.	
No. of shares held	

\*I / We (name in full and in block letters) \_\_\_\_\_

\*NRIC / Passport / Company registration no. \_\_\_\_\_ of (full address) \_\_\_\_\_

\_\_\_\_\_ (contact / mobile phone no. \_\_\_\_\_)

being a member of **DutaLand Berhad** ("the Company"), hereby appoint:

Name of proxy	NRIC / Passport no.	Address	Proportion of shareholdings to be represented by proxy	
			No. of shares	%

and

Name of proxy	NRIC / Passport no.	Address	Proportion of shareholdings to be represented by proxy	
			No. of shares	%

or failing \*him/her/them, the Chairman of the meeting, as my/our proxy(ies) to vote for \*me/us on \*my/our behalf at the **Fifty-Third Annual General Meeting** of the Company, to be conducted as a **fully virtual meeting** through live streaming from the broadcast venue at Board Room, Level 23, Menara Olympia, No. 8, Jalan Raja Chulan, 50200 Kuala Lumpur ("**Broadcast Venue**") on **Thursday, 5 November 2020 at 11.00 a.m.**, or at any adjournment thereof, and that \*my/our proxy(ies) \*is/are to vote on the following resolutions as indicated below:

\* Delete if inapplicable

	Resolutions	For	Against
1.	First and final single-tier dividend of 1 sen per ordinary share		
2.	Payment of Directors' fees to Non-Executive Directors		
3.	Payment of meeting allowance to Non-Executive Directors		
4.	Re-election of Tan Sri Dato' Yap Yong Seong as Director		
5.	Re-election of Dato' Abdul Majit bin Ahmad Khan as Director		
6.	Re-election of Mr Cheong Wong Sang as Director		
7.	Re-appointment of Messrs Ernst & Young PLT as Auditors		
8.	Continuing in office of Y.A.M. Tengku Datuk Seri Ahmad Shah Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah as Independent Director		
9.	Continuing in office of Dato' Hazli bin Ibrahim as Independent Director		
10.	Continuing in office of Mr Cheong Wong Sang as Independent Director		
11.	Authority to issue and allot shares		
12.	Proposed renewal of shareholders' mandate for recurrent related party transactions		
13.	Proposed renewal of shareholders' mandate for share buy-back		

The proxy(ies) so appointed shall vote, on my/our behalf, in the manner as I/we indicate with an "X" in the appropriate spaces alongside each resolution above, without which the proxy(ies) may vote at his/her/their discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Signature / Common Seal of Shareholder

### Notes:

- The Fifty-Third Annual General Meeting of the Company ("AGM") will be conducted on a **fully virtual** basis through live streaming via the remote participation and voting (RPV) facilities provided by the Share Registrar of the Company at <https://tjih.online>.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairperson of the meeting to be present at the main venue of the AGM. **No members or proxies/corporate representatives/attorneys appointed/authorised shall be physically present at the AGM (in the Broadcast Venue).**
- Members of the Company whose names appear in the Record of Depositors as at 28 October 2020 shall be entitled to participate and vote remotely at the AGM through <https://tjih.online>. In this context, the term 'participate' aforesaid shall include the right to posing questions to the Board via real time submission of typed texts at the portal specified above.
- Members and all proxies/corporate representatives/attorneys duly appointed/authorised who wish to participate and vote remotely at the AGM shall firstly **register at <https://tjih.online>, no later than the cut-off date/time** as per the **AGM Administrative Details** in accordance with the relevant procedures therein.
- Each member is entitled to appoint not more than 2 proxies to participate and vote remotely on his/her/its behalf. A proxy may but need not be a member of the Company. Any member who appoints more than 1 proxy without specifying in the Proxy Form the proportion of the shareholdings to be represented by each proxy, such appointment shall be invalid.
- A member who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held. A member who is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in a securities account ("Omnibus Account"), there is no limit to the number of proxies such member may appoint in respect of each Omnibus Account held.



Notes: (continued)

7. Appointment of proxy(ies) may be made as follows **no later than 11.00 a.m. on Tuesday, 3 November 2020**, as more particularly described in the **AGM Administrative Details**:
- (i) **Appointment of proxy electronically**  
**Individual members** may appoint a proxy electronically through <https://tjih.online>; or
- (ii) **Hard copy Proxy Form**  
**All members** may also appoint a proxy by way of a duly executed hard copy Proxy Form which must be **deposited at** the Share Registrar's office below:
- Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; or
  - The Customer Service Centre (Tricor Investor & Issuing House Services Sdn Bhd), Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- The Proxy Form shall be completed with all the appropriate information required and signed with a date inserted thereon. Appointment of proxy by any corporate member, its Proxy Form must be executed under its common seal or under the hand of its attorney duly authorised in writing or in accordance with the applicable laws for the time being in force.
8. Any authority to appoint a proxy which is made by way of power of attorney and for any corporate members who appoint representatives to participate and vote remotely, shall adhere to the documents submission requirement no later than the cut-off date/time as per the AGM Administrative Details in accordance with the relevant procedures therein.
9. The **AGM Administrative Details** aforesaid is available at the Company's website at [www.dutaland.com.my](http://www.dutaland.com.my).
10. You are advised to read and understand the contents of the Personal Data Protection Statement which is annexed with the Notice of AGM before providing any relevant personal data for the appointment of proxy(ies).
11. All resolutions as set out herein will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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Affix Stamp  
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The Share Registrar  
**Tricor Investor & Issuing House Services Sdn Bhd**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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## **DutaLand Berhad**

Co. Registration No. 196701000326 (7296-V)  
Incorporated in Malaysia

Level 23, Menara Olympia,  
No. 8, Jalan Raja Chulan,  
50200 Kuala Lumpur.

**T** (603) 2072 3993     **F** (603) 2072 3996

**[www.dutaland.com.my](http://www.dutaland.com.my)**