See Hup Consolidated Berhad (391077-V)

YOUR TOTAL LOGISTICS SOLUTIONS

Annual Report 2018

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second ("22nd") Annual General Meeting ("AGM") of the shareholders of SEE HUP CONSOLIDATED BERHAD ("the Company") will be held at The Wembley Hotel, Wembley Room 7, Jalan Magazine, 10300 Penang on Monday, 3 September 2018 at 9:45 am for the following purposes:-

As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 March 2018 and the Reports of Directors and Auditors thereon.

2. To re-elect the following Directors who retire in accordance with Article 96 of the Company's Constitution:-

   (a) Lee Chor Min — Ordinary Resolution 1
   (b) Ng Shiek Nee — Ordinary Resolution 2

3. To approve the following payments to Directors of the Company:

   (a) Directors' fees of RM58,000.00 for the financial year ended 31 March 2018. — Ordinary Resolution 3
   (b) Directors' benefits of up to an aggregate amount of approximately RM38,000.00 from the period commencing this AGM through to the next AGM of the Company in 2019. — Ordinary Resolution 4

4. To re-appoint Messrs UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Ordinary Resolution 5

As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions with or without modification:-

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016** — Ordinary Resolution 6

   "**THAT**, pursuant to Section 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given; or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is earlier; but any approval may be previously revoked or varied by the Company in general meeting."

6. **PROPOSED NEW AND RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND THE PROVISION OF FINANCIAL ASSISTANCE BETWEEN THE COMPANY AND ITS SUBSIDIARIES VIA THE CENTRALISED TREASURY MANAGEMENT SYSTEM** — Ordinary Resolution 7

   "**THAT**, for purposes of paragraph 10.09 of Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be given for the Company and its subsidiaries to enter into any of the category of recurrent related party transactions of a revenue or trading nature and the provision of financial assistance between related parties as set forth in Section 2.5 of the Circular to Shareholders dated 31 July 2018 provided that such transactions are necessary for the day-to-day operations and they are carried out in the ordinary course of business on normal commercial terms not more favourable to the related parties than those generally available to the public and not to the detriment of minority shareholders and that disclosure will be made in the annual report of the aggregate value of transactions conducted during the financial year;

   AND THAT the Directors be and are hereby empowered to do all such acts and things (including executing all such documents as may be required) as they may consider to be expedient or necessary to give full effect to the shareholders' mandate with full powers to assent to any condition, modification, revaluation, variation and/or amendment as may be imposed by the relevant authorities;

FURTHER THAT such mandate shall commence upon passing of this ordinary resolution and shall expire at the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution or the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or revoked or varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earlier."

7. **PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY** Ordinary Resolution 8

"THAT, subject always to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's issued share capital through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:

i) the maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the issued ordinary share capital of the Company for the time being ("SeeHup Shares");

ii) the maximum fund to be allocated by the Company for the purpose of purchasing the SeeHup Shares shall not exceed the retained profits of RM392,946 of the Company, based on the latest Audited Financial Statements as at 31 March 2018;

iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue to be in force until:

   a. the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
   b. the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements of the Bursa Securities or any other relevant authorities;

iv) upon completion of the purchase(s) of the SeeHup Shares by the Company, the Directors of the Company be hereby authorised to deal with the SeeHup Shares in the following manner:

   a. to cancel the SeeHup Shares so purchased; or
   b. to retain the SeeHup Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; or
   c. to retain part of the SeeHup Shares so purchased as treasury shares and cancel the remainder; or
   d. in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of SeeHup Shares."

8 **RETENTION OF INDEPENDENT DIRECTOR** Ordinary Resolution 9

"THAT, contingent upon the passing of Ordinary Resolution 2, Ms Ng Shiek Nee be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next Annual General Meeting ."

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

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)
Lau Yoke Leng (MAICSA 7034778)
Joint Company Secretaries

Penang, 31 July 2018

Notes:

1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

2. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. To be valid, the Form of Proxy duly completed must be deposited at the Company's Registered Office at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.

6. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 27 August 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory Notes:

1. The Ordinary Resolution 4, is to seek shareholders' approval on the Directors' benefits payable to the Directors which have been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognizes that the benefits payable is in the best interest of the Company and in accordance with the remuneration framework of the Group. The benefits comprise of annual and meetings allowances. This approval shall continue to be in force until the conclusion of the next AGM of the Company.

2. The proposed Ordinary Resolution 6 is for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued share capital (excluding treasury shares) of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next AGM of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 6 September 2017 and which will lapse at the conclusion of the Twenty-Second AGM.

   The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

3. The proposed Ordinary Resolution 7 if passed, will approve the shareholders' mandate on recurrent related party transactions and the provision of financial assistance and allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with Chapter 10 and Practice Note No. 12 of the Main Market Listing Requirements of Bursa Securities. This approval shall continue to be in force until the conclusion of the next AGM or the expiration of the period within which the next AGM is required by the law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

4. The proposed Ordinary Resolution 8 if passed, will give the Directors the flexibility to purchase its own shares, if and when circumstances permit, with a view to enhance the earnings per share of the Group and net assets per share of the Company. The Proposed Renewal of Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as stated in the Circular to shareholders.

5. The proposed Ordinary Resolution 9, if passed, will retain Ms Ng Shiek Nee as Independent Non-Executive Director of the Company to fulfill the requirements of Paragraph 3.04 of the Main Market Listing Requirements of Bursa Securities and in line with the Practice 4.2 of the Malaysian Code on Corporate Governance issued by the Securities Commission on 26 April 2017. The details of the Board's justifications and recommendations to retain her are set out in the Corporate Governance Report.

Statement Accompanying Notice of Annual General Meeting
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No individual is standing for election as a Director at the forthcoming 22nd AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Chor Min
Group Managing Director

Lee Hean Huat
Executive Director

Haji Shamsul Ariffin B. Mohd Nor
Executive Director

Datuk Haji Muhadzir Bin Mohd. Isa
Executive Director

Ng Shiek Nee
Independent Non-Executive Director

Mak Cheow Yeong
Independent Non-Executive Director

Lee Phay Chian
Independent Non-Executive Director

AUDIT COMMITTEE
Ng Shiek Nee *(Chairman)*
Lee Phay Chian
Mak Cheow Yeong

NOMINATING COMMITTEE
Lee Phay Chian *(Chairman)*
Ng Shiek Nee
Mak Cheow Yeong

REMUNERATION COMMITTEE
Lee Phay Chian *(Chairman)*
Ng Shiek Nee
Mak Cheow Yeong

JOINT COMPANY SECRETARIES
Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)
Lau Yoke Leng (MAICSA 7034778)

AUDITORS
UHY
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

REGISTERED OFFICE
Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A Jalan Sultan Ahmad Shah
10050 Penang
Tel : 04-2294390
Fax : 04-2265860

PRINCIPAL PLACE OF BUSINESS
18, Jalan Limbungan
Off Jalan Chain Ferry
12100 Butterworth, Penang
Tel : 04-3105454
Fax : 04-3312190
Website: www.seehup.com.my

REGISTRARS
Plantation Agencies Sdn Berhad
3rd Floor, 2, Lebuh Pantai
10300 George Town, Penang
Tel : 04-2625333
Fax : 04-2622018

PRINCIPAL BANKERS
AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

CORPORATE STRUCTURE

SEE HUP

SEE HUP CONSOLIDATED BERHAD
(Company No. : 391077–V)
(Incorporated in Malaysia)

Transportation Services Division

- See Hup Transport Company Sdn Bhd (100%)
- See Hup Transport (KL) Sdn Bhd (100%)
- Jentanian Transport and Forwarding Sdn Bhd (100%)
- Butterworth Transport Company Sendirian Berhad (100%)
- SH Logistics (M) Sdn Bhd (50.1%)
  - See Hup Pioneer Logistics (Thailand) Co Ltd (45.5%)

Freight Forwarding Division

- Perkapalan Maritime Sdn Bhd (49%)
- Tanjung Marine Sdn Bhd (49%)
- SH Freight Services Sdn Bhd (50%)
- SH Global Freight Sdn Bhd (83%)
  - Maruzen SH Logistics Sdn Bhd (40%)
- SH Worldwide Logistics Sdn Bhd (97.9%)
- SH Supply Chain Sdn Bhd (88.75%)

Machinery Hire & Cargo Handing Division

- See Heng Company Sdn Bhd (100%)
- Bentara Dermaga Sdn Bhd (80.32%)
- SH Moment Builder Sdn Bhd (51%) (Formerly known as Hong Seng Builder Sdn Bhd)

Warehousing & Haulage Division

- Agriplex (M) Sdn Bhd (70%)
- Mazs Marketing (M) Sdn Bhd (76.85%)
- See Hup Pioneer Logistics Sdn Bhd (56.5%)
  - SH Haulage Sdn Bhd (70%)
- Hot Colour Furniture Sdn Bhd (51%)

Property Division

- Limsa Ekuiti Sdn Bhd (100%)
- Mahajaya View Sdn Bhd (100%)
- Chuan Eng Teik (M) Sdn Bhd (100%)

PROFILE OF DIRECTORS

Lee Chor Min
Group Managing Director
Executive Director

Male, aged 43, Malaysian. He was appointed to the Board on 2 April 2004 and subsequently as Group Managing Director on 30 May 2008. He holds a Bachelor of Business (International Trade) degree from University of Monash and a Masters degree in Applied Finance from University of Melbourne in Australia.

He started his career in the banking industry prior to joining See Hup. With his extensive experience in the logistics industry, he plays an active role in the strategic business planning of various divisions of See Hup Group.

Lee Hean Huat
Executive Director

Male, aged 70, Malaysian. He has been with the Group since 1971 after completing his secondary school education. He was appointed to the Board on 18 November 1997. With his extensive experience in the logistics industry, he plays an active role in the strategic business planning of various divisions of the Group, namely maintenance & servicing, property, equipment hiring, warehousing and bulk cargo handling.

Haji Shamsul Ariffin bin Mohd. Nor, DSM, KMN, AMN
Executive Director

Male, aged 72, Malaysian. He holds a Bachelor of Arts (Honours) degree from Universiti Sains Malaysia and a Masters degree in Business Administration from Universiti Kebangsaan Malaysia. He was appointed to the Board on 19 April 2001. He has served in various capacities in the public service including Assistant Secretary and Principal Assistant Secretary in the Ministry of Land & Regional Development, Senior Assistant Director to the Director General of the Land & Mine Department and Director of Enforcement Road Transport Department, Malaysia. He was also a Board member of Perbadanan Niaga FELDA, NARSCO Bhd., NASPRO Sdn. Bhd., NARSCO Properties Sdn. Bhd., NARSCO Management Services Sdn. Bhd. and Commercial Vehicle Licensing Board.

Datuk Haji Muhadzir bin Mohd. Isa, DMSM, SDK, AMN, BKM, JP
Executive Director

Male, aged 69, Malaysian. He graduated from Cranfield School of Management in London with a Bachelor of Arts degree. He was appointed to the Board on 18 November 1997. He was a lecturer at the National Institute of Public Administration. He is now the Chairman of Kedah Bumiputra Industrialist and Manufacturer Group (GIPB), Kedah Manufacturer Group (GPK) and a member of the State of Kedah Industrial Committee, Board of Trustee of YAYASAN IHTIMAM Malaysia under the patronage of Department of Islamic Development Malaysia (JAKIM), of Prime Minister Department. He is also the Co-Chairman of Custom Consultative Panel Committee, State of Kedah.

He is currently the Chairman of Dagang Halal Plc, a company listed on the London Stock Exchange.

Ng Shiek Nee
Independent Non-Executive Director

Female, aged 51, Malaysian. She was appointed to the Board on 16 May 2001. She is a Fellow of the Association of Chartered Certified Accountants (ACCA). She started her career with Ernst & Young in Melaka before she left to pursue a career in the commercial sector. She has since held senior management positions in a wide range of businesses.

She is the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

Lee Phay Chian
Independent Non-Executive Director

Male, aged 51, Malaysian. He was appointed to the Board on 18 March 2013. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) United Kingdom and a member of the Malaysian Institute of Accountants. He has over 20 years of working experience in company secretarial, business advisory and tax consultant field. He is currently the Managing Director of LWK Management Sdn. Bhd. and LWK Tax Services Sdn. Bhd.

He is the Chairman of both Nomination Committee and Remuneration Committee and a member of the Audit Committee.

Mak Cheow Yeong
Independent Non-Executive Director

Male, aged 71, Malaysian. He was appointed to the Board on 28 February 2013. Mr Mak has extensive experience as a businessman engaged in general trading activities as well as being involved in the management of his own agricultural products estate. He occasionally volunteers his business and management expertise to community associations, charitable and welfare organizations and schools which has earned him substantial goodwill among the business and civil communities.

He is a member of the Audit Committee, Remuneration Committee and Nominating Committee respectively.

NB:

i) Family relationships with any director and/or major shareholder

Director	Relationship
Lee Hean Huat	Uncle of Lee Chor Min.
Major shareholders	**Relationship**
Dato' Lee Hean Guan Datin Chan Kooi Cheng	Parents of Lee Chor Min.
Lee Hean Huat Lee Hean Beng Lee Hean Teik Lee Hean Seng	Uncles of Lee Chor Min.

ii) Conflict of Interest
None of the Directors have any conflict of interest with the Company other than as disclosed in the Directors' Report and Notes to the Financial Statements.

iii) Non-Conviction of Offences
Other than traffic offences (if any), none of the Directors have been convicted of any offences within the past 5 years. There were no public sanction or penalty imposed by the relevant regulatory bodies on the Directors of the Company during the financial year.

iv) Attendance at Board Meeting
Details of the Directors' attendance at Board Meetings are detailed in the Corporate Governance Overview Statement.

v) Other directorship of public and listed companies
None of the other Directors hold any directorship in other public or listed companies except :-

Director	Other Directorships
Haji Shamsul Ariffin Bin Mohd Nor	Innity Corporation Berhad.

vi) Directors' shareholdings
Details of the Directors' shareholdings in the Company and its Subsidiaries are provided in the Analysis of Shareholdings section of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

LEE HEAN SENG
Aged 49, Male, Malaysian

Academic/Professional Qualification
Diploma in London Chamber of Commerce and Industry

Working Experience
He joined the Group in 1996 and has over 20 years' of experience in the logistics industry. Presently he is responsible for the Group's overall transportation operations.

Directorship in public companies or the Company
Nil

Family Relationship with Director or Major shareholder of the Company:
Uncle of Lee Chor Min, the Group Managing Director
Brother of Lee Hean Huat, Director and major shareholder of the Company
Brother of Major Shareholders, Dato' Lee Hean Guan, Lee Hean Beng and Lee Hean Teik

Conflict of Interest
Nil

Convictions for Offences (Other than traffic) within the past 5 years/Public Sanctions or penalty
Nil

IVAN LEE YEE HUEI
Aged 38, Male, Malaysian

Academic/Professional Qualification
Monash University Foundation Year

Working Experience
Started his career with the Group in 2003. He is involved in the Group's Haulage Division.

Directorship in public companies or the Company
Nil

Family Relationship with Director or Major shareholder of the Company:
Cousin of Mr Lee Chor Min, the Group Managing Director
Nephew of Lee Hean Huat, Director and major shareholder of the Company
Son of Lee Hean Beng, a major shareholder of the Company.

Conflict of Interest
Nil

Convictions for Offences (Other than traffic) within the past 5 years/Public Sanctions or penalty
Nil

LIM WENG NAM
Aged 48, Male, Malaysian

Academic/Professional Qualification
Bachelor of Science (Mathematics)
Universiti Teknologi Malaysia 1994

Working Experience
Started his career as a Business Executive in 1994 with Malayan Sugar Manufacturing Co Bhd before moving on to Flextronics Technology Penang as Warehouse Superintendent in 2000. He subsequently joined K Line Air Service Sdn Bhd in 2001 as Logistics Manager.

Prior to joining the Group in 2007 as Project Development Manager, he was attached to SMT Speedmark Forwarders Sdn Bhd Penang as Branch Manager.

Directorship in public companies or the Company
Nil

Family Relationship with Director or Major shareholder of the Company
N/A

Conflict of Interest
Nil

Convictions for Offences (Other than traffic) within the past 5 years/Public Sanctions or penalty
Nil

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

PETER LAI YEW CHONG
Aged 46, Male, Malaysian

Academic/Professional Qualification
Holder of Bachelor in Total Logistics Transport (UK) degree & members of the society of Logisticians Malaysia

Working Experience
He joined Malaysia Airlines System in 1993 as Import & Export Cargo Officer before moving on to FM Global Logistics Sdn Bhd as Sales Manager from 1994 -1997. Subsequently he was promoted to Penang Branch & Country Manager and then as General Manager overseeing its business directions, marketing & corporate accounts.

He joined See Hup Group in 2015 and is involved in the air freight division of the Group. He has over 23 years working experience in Total Logistics Transport.

Directorship in public companies or the Company
Nil

Family Relationship with Director or Major shareholder of the Company
N/A

Conflict of Interest
Nil

Convictions for Offences (Other than traffic) within the past 5 years/Public Sanctions or penalty
Nil

IVY TONG WEI WEI
Aged 44, Female, Malaysian

Academic/Professional Qualification
Bachelor of Business Administration, University Putra Malaysia

Working Experience
She started her career with Asia Air Elite Services as sales coordinator in 1998 before moving on to Transways Logistics Group as Business Development Manager in 1999.

She joined the Group in 2011 and is responsible for the entire operations of the Group's Sea Freight Division.

Directorship in public companies or the Company
Nil

Family Relationship with Director or Major shareholder of the Company:
N/A

Conflict of Interest
Nil

Convictions for Offences (Other than traffic) within the past 5 years/Public Sanctions or penalty
Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to report below the Principles and Practices of the Malaysian Code on Corporate Governance 2017 ("MCCG") that were adopted throughout the financial year, which are dealt with under the headings of "Board Leadership and Effectiveness", "Effective Audit and Risk Management" and "Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders".

Further details of the application of the Practices are elaborated in the Corporate Governance Report, which is available on the Company's website, www.seehup.com.my as well as Bursa Malaysia Securities Berhad's website.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Roles and Responsibilities

The Group recognises the crucial role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfill this role, the Board has established functions which are reserved for the discretion and decision of the Board. A summary of key matters reserved for the Board's approval include business operation restructuring, new issuance of securities, dividend policy, approval of expenditure above a certain pre-determined limit, disposal of significant fixed assets, and the acquisition or disposal of companies within the Group.

Primarily, the Board is responsible for the overall corporate governance of the Group, including the setting of strategic direction, establishing goals for Management, monitoring the performance of Management in the achievement of these objectives and regular review of the division of responsibilities between the Board and Management. Among other key roles and responsibilities of the Board are as follows:

- Reviewing and adopting a corporate strategic plan for the Group to ensure that they are aligned with the Group's vision and mission;
- Overseeing the conduct of the Group's business and evaluating its performance against key performance indicators, i.e. through regular monthly operational and financial performance reporting with highlights of key results and issues;
- Succession planning, including board succession planning, which comprises the process of evaluating and identifying potential senior management personnel with the necessary training and development procedures in preparing successor(s) to assume operational critical positions within the Group in the future;
- Identifying and monitoring the Group's principal risks and implementing appropriate measures to manage these risks with reference to the Group's risk appetite and established risk management framework;
- Building and implementing a corporate disclosure policy for the Group which focuses on how feedbacks are corresponded and addressed;
- Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Role of Chairman, Group Managing Director, Executive Directors and Independent Directors

The roles and responsibilities of Chairman and Group Managing Director are defined in the Board Charter. There is a clear division of responsibilities between the Chairman and Group Managing Director to ensure balance of power and authority and greater capacity for independent decision-making. The position of Chairman of the Board is currently vacant. At each Board meeting or shareholders' meeting, its role is assumed by one of the Board members on appointment by members at the meetings concerned. The Board is of the view that the balance of power is still in place as it has been the practice of the Chairman of the relevant meetings to encourage participation by all concerned.

Management of the Group is entrusted to the four (4) Executive Directors, led by the Group Managing Director, whilst the Independent Non-Executive Directors provide a check and balance in the process of decision-making by the Board. TheIndependent Non-Executive Directors are not employees of the Group and do not participate in the day-to-day management of the Group and are not engaged in any business dealings with the Group.

Company Secretaries

Every Director also has unhindered access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act under the Companies Act, 2016 and undertake the following roles and responsibilities:

- Provide advice to the Board on the discharge and monitoring of its roles and responsibilities;
- Advising the Board on matters in relation to compliance with laws, regulations, guidance, and procedures affecting the Directors as well as the principles of good governance practices; and
- Manage processes relating to the Group's annual shareholder meeting.

The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board.

Access to Information and Advice
The Group Managing Director, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance of meetings. Prior to meetings of the Board and Board Committees, appropriate documents, which include the agenda and reports relevant to issues of the meetings covering strategic, financial, operational and regulatory compliance matters, where appropriate, are circulated to all members to obtain further explanation, where necessary, in order for them to be properly briefed before the meeting.

Furtherance to the abovementioned, the Board, as a whole, has the right to determine whether as a full Board or in their individual capacity, to seek and take independent professional advice, where necessary and under appropriate circumstances, in pursuance of their duties at the Group's expense.

Board Meetings
The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. Board Meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention given to the Board agenda.

During the financial year under review, the Board met four (4) times, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments, corporate announcements and the direction of the Group. Details of Directors' meeting attendances during the financial year are as follows:

	Directors	**Number of meetings attended**			
		BOD	**AC**	**NC**	**RC**
Executive	Lee Chor Min	4/4	4/4	N/A	1/1
	Lee Hean Huat	4/4	4/4	N/A	N/A
	Datuk Haji Muhadzir Bin Mohd. Isa	4/4	4/4	N/A	N/A
	Haji Shamsul Ariffin B. Mohd. Nor	3/4	4/4	N/A	N/A
Non-Executive	Ng Shiek Nee	3/4	4/4	2/2	N/A
	Mak Cheow Yeong	4/4	4/4	2/2	1/1
	Lee Phay Chian	4/4	4/4	2/2	1/1

BOD – Board of Directors Meeting
AC – Audit Committee Meeting
NC – Nominating Committee Meeting RC – Remuneration Committee Meeting

Board Charter
The roles and functions of the Board, as well as the differing roles of Executive Directors and Non-Executive Directors are clearly delineated in a Board Charter. Under this Charter, the Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group. Besides, the Board delegates certain responsibilities to Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee in order to enhance business and operational efficiency as well as efficacy.

The Charter shall be reviewed periodically as stipulated to ensure its relevance in assisting the Board to execute its duties with changes in corporate laws and regulations that may arise from time and time. The said review was last carried out by the Board in May 2017. With each review, details and date of said practice is delineated within a summary table in the Charter. The Charter is available on the Company's website at www.seehup.com.my.

Code of Ethics and Conduct
The Board recognizes the need to discharge its responsibilities ethically and has adopted the Code of Ethics as issued by the Companies Commissions of Malaysia, which is available on its website at www.ssm.com.my. The Code of Ethics set out the principles in relation to corporate governance, relationship with shareholders, employees, creditors, customers, corporate social responsibilities and the environment. The details of the Code of Ethics is available on the Company's website at www.seehup.com.my.

Whistleblowing Policy
Furthermore, the Board has set up a Whistleblowing Policy which established the proper communication and feedback channels for exposure of any violation or improper conduct or wrongdoing within the Group whilst ensuring that integrity and ethical behaviour are maintained through relevant protocols. This practice is to encourage transparency and offers confidentiality to its employees to raise issues of concern regarding its financial, operating and management's ethical business conduct. The details of the Whistleblowing Policy is available on the Company's website at www.seehup.com.my.

II. BOARD COMPOSITION

Composition and Independence of the Board

The Board consists of seven (7) members, comprising three (3) Independent Non-Executive Directors, and four (4) Executive Directors. The Board has complied with Paragraph 15.02 of the MMLR of Bursa Malaysia that stipulates at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are Independent Directors.

The presence of Independent Non-Executive Directors are to ensure that issues of strategies, performance and resources proposed by the Management are objectively evaluated, taking into consideration of the long-term interest of shareholders, employees, customers, and other communities in which the Group conducts its business.

Annual Assessment of Independence

The Nominating Committee annually assess the independence of Independent Non-Executive Directors based on the criteria as defined in the Listing Requirements and is satisfied with the level of independence demonstrated by the three (3) Independent Non-Executive Directors and their ability in exercising independent and objective judgement in Board deliberations.

Tenure of Independent of Directors

The Board has not formalised a policy that restricts the tenure of Independent of Directors to nine (9) years. Ms Ng Shiek Nee, who was appointed as an Independent Director on 16 May 2001, has served the Board for more than twelve (12) years. The Board shall seek shareholders' approval to retain her as an Independent Non-Executive Director of the Company based on her professional qualifications and her integrity and diligence shown towards her responsibilities throughout the years she has served on the Board.

The Board is of the opinion that her extended tenure as an Independent Non-executive Director has not impaired her active participation in Board deliberations and in objectively exercising her independent judgement. Ms Ng is a professionally qualified Accountant and her former experience as an external auditor and in the commercial sector has enabled her to exercise leadership in her role as Chairman of the Audit Committee.

Board Diversity

The Board recognises the need for diversity within its Board. The present Directors, with their different backgrounds and specialization, collectively bring with them experience and expertise in areas such as finance, corporate affairs, marketing and operations. With this mix of expertise, the Company is essentially led and guided by an experienced and competent Board. The brief profile of each Director is presented in this Annual Report under Profile of Directors.

Furthermore, in view of maintaining a truly well-diversified Board, the Group has developed and maintained a Board Gender Diversity policy which recognises the importance of gender diversity in the Board. At present, the Board consists of one (1) female Board member which reflects a 14% allocation to the composition of the overall Board. The Nominating Committee, in identifying suitable candidates based on each individual's merits, will prioritize the appointment of female candidates to achieve a higher female Board representation.

In summary, the Directors believe that the current Board composition fairly represents the investment of all shareholders in the Company.

Nominating Committee

The Nominating Committee comprises exclusively of Non-Executive Directors, all of whom are Independent Directors as follows:

Mr. Lee Phay Chian, Chairman - *(Independent Non-Executive Director)*
Ms. Ng Shiek Nee - *(Independent Non-Executive Director); and*
Mr. Mak Cheow Yeong - *(Independent Non-Executive Director)*

Recruitment and Annual Assessment of Directors

The Nominating Committee is empowered by the Board with its terms of reference that includes proposing recommendations to the Board on the appointment of new Directors, as well as assessing the effectiveness of Board Committees and the Board, as a whole. With reference to the appointment process of new Directors, a general appointment progression can be depicted as follows:

Identify Gaps/ Skillsets Required → Identify Candidates → Evaluation of Identified Candidates → Deliberation by Nominating Committee → Recommendation to Board → Board's Review and Approval

In identifying candidates for appointment of directors, the Nominating Committee seeks recommendations from existing board members, management and major shareholders or independent sources. The key criteria identified for Board's consideration during each selection and appointment process of new Directors are fields of expertise, industry experience, academic and professional qualification, personality traits demonstrating a high level of integrity.

In regards to the assessment of Directors' performance, an annual self-assessment is being carried out by the Group along with an assessment of the effectiveness of the Board as a whole. The self-assessment is carried out using questionnaires that takes into account the technical expertise, teamwork, interpersonal skills and practice development of each Director. In addition, the assessment of the Board as a whole by the Nominating Committee considers the evaluation criterion of knowledge sharing, strategic planning, public representation, regulatory compliance, meeting participation and others.

Furthermore, the Committee is also entrusted to systematically assess the contribution of each Director due for retirement before recommending to the Board for their re-election. The assessments will take into consideration, amongst others, contribution to affairs and business of the Group, appropriate skills and experience, discussion participation and attendance.

The Nominating Committee appraises the composition of the Board and believes that the current composition brings the required mix of skills and core competencies for the Board to discharge its duties effectively.

Directors' Training

The Directors are encouraged to continue to undergo relevant training courses and professional programmes to enhance their skills and knowledge, where relevant. In assessing the training needs of Directors, the Nominating Committee, has determined that appropriate training programmes covering matters on logistics, taxation, corporate governance, risk management and/or statutory/ regulatory compliance, to be recommended for the Directors to enhance their contributions to the Board.

The Board members have attended the training programmes below:-

Directors	Training Programme
Lee Chor Min	3rd Annual Vehicle Fleet Management
Lee Hean Huat	Hightened Expectations of Directors under the New Companies Act, 2016
Tuan Haji Shamsul Ariffin B. Mohd Nor	13th Tricor Tax & Corporate Seminar
Datuk Haji Muhadzir Bin Mohd Isa	Leading Change@The Brain
Lee Phay Chian	Tax and Your Property Transaction Transfer Pricing in Malaysia Seminar Percukaian Kebangsaan 2017 GST & Tax Issues Under RMCD'S OPS CBOS 3.0 & IRB's OPS Gegar Bersepadu 127B MPERS: Practical Financial Reporting Issues
Ng Shiek Nee	Malaysian Financial Reporting Standards (MFRS) made simple for Directors and Senior Management
Mak Cheow Yeong	Hightened Expectations of Directors under the New Companies Act, 2016

III. REMUNERATION

Remuneration Policy

With reference to the Group's remuneration policy, the remuneration of Directors is generally linked to their experience, scope of responsibility and contribution to the Group's overall performance. The remuneration policy established a standardised framework in defining the objective of said policy, identified components of remuneration and summarising the derivation and recommendation procedures of Directors' remuneration.

In summary, the Committee is responsible for recommending to the Board the remuneration packages of Executive Directors. The Board, as a whole, determines the remuneration of Executive and Non-Executive Directors with the Directors concerned abstaining from the decision in respect of their individual remuneration.

Remuneration Committee

The Remuneration Committee comprises the following members, all of whom are Independent Non-Executive Directors:

Mr. Lee Phay Chian (Re-designated as Chairman on 15.03.2018) - *(Independent Non-Executive Director)*
Ms. Ng Shiek Nee (Appointed on 15.03.2018 in place of Mr Lee Chor Min) - *(Independent Non-Executive Director)*
Mr. Mak Cheow Yeong - *(Independent Non-Executive Director)*

During the financial year, the Remuneration Committee met once to deliberate and discuss on remuneration related matters of the Executive Directors. The Company pays its Directors annual fee, which is approved annually by shareholders at the Annual General Meeting.

Details of Directors' Remuneration
Details of the remuneration of the Directors financial year ended 31 March 2018 are as follows:

Category	Fees (RM)		Salaries and Bonuses (RM)		Benefits in Kind*/ Allowances (RM)		Total Amount (RM)
	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	
Executive Directors							
Lee Chor Min	6,000-00	47,500-00	–	423,250-00	–	23,950-00*/ 6,000-00	506,700-00
Lee Hean Huat	6,000-00	28,000-00	–	477,500-00	–	17,400-00*	528,900-00
Tuan Haji Shamsul Ariffin B. Mohd Nor	6,000-00	–	–	163,000-00	–	8,800-00*	177,800-00
Datuk Haji Muhadzir Bin Mohd Isa	6,000-00	2,000-00	–	79,000-00	–	–	87,000-00
Non-Executive Directors							
Ng Shiek Nee	8,000-00	–	–	-	10,000-00	–	18,000-00
Lee Phay Chian	6,000-00	–	–	-	10,000-00	–	16,000-00
Mak Cheow Yeong	6,000-00	–	–	-	10,000-00	–	16,000-00

The number of Directors at end of the financial year whose remuneration falls into the following bands comprises:

Range of remuneration	Number of Directors	
	Executive	Non-Executive
RM500,001 to RM550,000	2	–
RM150,001 to RM200,000	1	–
RM100,001 to RM150,000	–	–
RM50,001 to RM100,000	1	–
RM50,000 and below	–	3

Details of top five key Senior Management's Remuneration
To avoid any perceived misallocation of executive remuneration against job responsibilities, the Board exercises its discretion not to disclose information on named basis the top five senior management's remuneration and seeks to retain the confidentiality. The Board is of the view that it will not be in the best interest of the Company to disclose these details given the competitiveness in the market for experienced senior management. However, to provide some disclosure on the level of remuneration paid to the senior management, the Company has decided to disclose their remuneration in total aggregate basis. The aggregate total remuneration paid to the five key senior management for the financial year was RM1,202,493.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting. The Audit Committee has been accorded with the power to communicate directly with the internal and external auditors towards ensuring compliance with other related regulatory requirements and the accounting standards.

The Audit Committee comprises three (3) Independent Directors Non-Executive Directors. None of them was a former key audit partner. The Audit Committee is chaired by an Independent Non-Executive Director who is not the Chairman of the Board. The Terms of Reference of the Audit Committee are available on the Company's website at www.seehup.com.my.

The Board is satisfied that the Audit Committee has effectively discharged its duties in accordance with its Terms of Reference. The diversity in the skills of the audit members which comprise financial, business acumen have enabled them to effectively discharged their roles and responsibilities

The details of the Audit Committee's composition, attendance and summary of activities are set out under Audit Committee Report in this Annual Report.

External Auditors

The Board has established a transparent relationship with the external auditors through the Audit Committee, which has been accorded with the power to communicate directly with the external auditors towards ensuring compliance with the accounting standards and other related regulatory requirements.

Furthermore, in accordance to a policy maintained by the Audit Committee, the suitability and independence of the external auditors was assessed by the Audit Committee with the consideration of non-audit assignment engagements (if any) during the financial year. The formalised policy defines the assessment framework and tools to be undertaken by the Audit Committee and govern the circumstances which allow for provision of non-audit services by the external auditors.

Similarly, the external auditors had given written assurance that, they are, and have been, independent throughout the conduct of audit engagement in accordance with terms of relevant professional and regulatory requirements.

The Audit committee met with the external auditors twice to discuss the audit plan and audit findings during the year. Overall, the Audit Committee was satisfied with the suitability of external auditors based on the quality of services and sufficiency of resources provided during the course of audit. The Audit Committee was also satisfied in its review of the independence of external auditors with the consideration that there was no non-audit engagement provided by the external auditors during the financial year.

With the outcome of the annual assessment of external auditors, the Board had approved the Audit Committee's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the reappointment of external auditors.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its responsibility for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Due to the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. In overall, the system of internal control covers financial, organisational, operational and compliance controls.

Additionally, the Board has established and implemented a sound framework of risk management which encompasses a policy that defined the key features of risk management procedures, risk management organisational structure, risk escalation process and a practice of review of framework. With that, the Group has established a Risk Management Committee that oversees and reports all risk management related matters to the Audit Committee and the Board.

The Group outsourced its internal audit function to a professional firm of consultants, BDO Governancy Advisory Sdn Bhd ("BDO") that adopts internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia. The team is headed by an Executive Director – Advisory who is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants and is assisted by three (3) staff which includes a manager.

BDO is sufficiently resourced to provide the services that meet with the Group's required service level in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. All personnel deployed by BDO are free from any relationships or conflicts of interest, which could impair their objectivity and independence during their course of work.

The internal audit adopted a risk-based approach and prepared its plan based on the risk profiles of the major business units in the Group in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. Opportunities for improvement to the system of internal control were identified and presented to the Audit Committee via internal audit reports, whilst Management formulated the relevant action plans to address the issues noted.

The details of the internal control are set out under Statement on Risk Management and Internal Control in this Annual Report.

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

I. COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the need and importance of ensuring prompt dissemination of information to shareholders, investors and regulatory bodies with an aim to give clear and complete information of the Group's financial performance as well as corporate initiatives and operations within the bounds of practicality and regulatory framework governing release of material and price sensitive information.

The Board recognises the need for shareholders to be kept updated with all material business matters affecting the Group. Shareholders are provided with an overview of the Group's performance and operations through timely release of financial results on yearly and quarterly basis as well as various other announcements. Shareholders may also access information about the Group via the Company's corporate website at www.seehup.com.my.

The Board peruses through and approves all announcements prior to release of the same to Bursa Malaysia. At the same time, the Board will take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.

II. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") provides a platform for Board dialogue and interaction with shareholders where shareholders and investors may seek clarifications on the Group's businesses, performance and prospects. At the AGM, shareholders are encouraged by the Chairman of the meeting to ask questions or seek clarifications on the agenda of the meeting.

In exercising good corporate governance, the Notice for the AGM is circulated at least 28 days prior to the date of meeting.

Statement on Compliance
The Company has adopted all the Practices of MCCG except for the following:

Practice 1.2 : Chairman of the Board
Practice 4.1 : At least half the Board comprises independent directors
Practice 4.2 : Tenure of Independent Director
Practice 7.2 : Disclosure of top five senior management's remuneration in bands of RM50,000-00

The explanation for departure from the above practices are available in the Corporate Governance Report.

This statement is issued in accordance with a resolution of the Directors dated 31 May 2018.

DIRECTORS' RESPONSIBILITY STATEMENT IN FINANCIAL REPORTING

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly announcement of results and the Management Discussion and Analysis in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards under Malaysia Financial Reporting Standards and the provisions of the Companies Act, 2016 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates.

The Directors also have a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

SUSTAINABILITY STATEMENT

OUR APPROACH TOWARDS SUSTAINABILITY

At See Hup Consolidated Berhad ("See Hup" or "the Group"), we acknowledge that the pursuance of sustainability is a vital part of business to ensure a successful future for the Group while safeguarding the interests of all our stakeholders. As we embrace the path forward in recognising the importance of sustainability, the progress of our efforts have embedded practices in addressing the key elements of economic, environmental and social.

With the view of illustrating our sustainability themes and on what we have achieved this year in addressing various aspects of the Group, our maiden statement herewith is prepared to provide such insight. Our approach to reporting is with guidance of the Bursa Malaysia's Sustainability Reporting Framework which includes amendments to the Listing Requirements, the Sustainability Reporting Guide and Toolkit, thus illustrates a broad view of the Group's sustainability initiatives.

Through our journey towards establishing the Sustainability Reporting framework, we will initiate efforts to formalise our governance structure in order to oversee and manage all sustainability matters that are material to our stakeholders. Similarly, we will be developing a materiality assessment process and its accompanying matrix, alongside a reporting mechanism that tracks our progress against designated key sustainability targets for the coming years.

IDENTIFYING OUR SUSTAINABILITY THEMES

With the commitment to create and uphold long-term value for our stakeholders, See Hup has identified and categorised its stakeholders between Internal Stakeholders, which consist of employees, directors among others and External Stakeholders that primarily includes, but not limited to suppliers, investors, competitors and the local community. From this preliminary identification process, the targeted groups have been the main source of information for us to identify essential interest and concerns implicating the sustainability of the Group.

As an organisation, we assessed our sustainability standpoint among key personnel figures within the structure of the Group as well as throughout the various departments such as Finance, Accounts, Information Technology, Human Resources and Administration. By virtue of which, we ascertained that the fundamental theme and ambition for sustainability of the Group are as follows:-

- √ **Upholding Shareholder Expectations**
- √ **Ethical and Transparent Business Engagements**
- √ **Sustaining Environmental Forefront**
- √ **Social Contribution Efforts**
- √ **Safe Working Environment and Talent Retention**

The Group comprehend that in order to progress towards meeting its sustainability goals, its existing themes will continue to grow and evolve. Hence, it is based on the Group's ongoing initiatives in making improvements to strengthen the efficiency and reliability of its operations, in order to fulfill the expectation of new targets and requirements.

UPHOLDING SHAREHOLDER EXPECTATIONS

With consideration that shareholders are the lifeline of any company, See Hup constantly supports the objective of establishing and maintaining trust and confidence within our shareholders. As we value our engagements with our shareholders, the Group takes its duties and responsibilities to its shareholders earnestly by ascertaining that the disclosure and dissemination of all material information are on a timely, fair and transparent manner.

Disclosure through our website and official publications like the annual report, announcement of quarterly results and other corporate announcements are to ensure that our shareholders are kept abreast with our strategies, performance as well as our on-going business development activities. Furthermore, our annual general meeting provides an ideal opportunity for the board members to communicate with our valued shareholders, upon which shareholders are encouraged to participate in the question and answer sessions.

Pursuant to that, the Group ensure the consistent compliance of regulatory requirements, such as Bursa Malaysia's Main Market Listing Requirement ("MMLR") in order to assure that the conduct of the Group's operation is safeguarded and orderly to preserve the interest of shareholders. Moreover, we ascertain that best practices of the Malaysia Code of Corporate Governance ("MCCG") are essentially uphold in view of ascertaining that the Group functions responsibly with adequate safeguards and controls in its direction and management of business and affairs.

ETHICAL AND TRANSPARENT BUSINESS ENGAGEMENTS

It has been a culture within See Hup that our operations consistently focus on ethical business practices which have earned the trust of our various stakeholders throughout our long history.

As we strive to perform better as a responsible company, employer and corporate citizen, we promote that all dealings carried out by the Group between its stakeholders are undertaken with the significant level of accountability and integrity. This practice is to ensure that the principle of fair competition is upheld whilst maintaining a competitive edge for the Group.

Additionally, directors and employees of the Group are required to fully comply with the relevant laws, rules and regulations applicable to each operation of the Group in ensuring that any conduct of business are executed objectively and lawfully. Likewise, encouragement to adhere the code of conduct is placed on the management team to advocate the practice of the above mentioned.

Furtherance to the above, the Group also maintain and practice a Whistleblowing Policy as a transparent avenue for employees and the general public to lodge grievances on malpractices or wrong-doings in confidence. Such practice to promote the sense of reachability to any stakeholders in raising concerns to the Group implies that we take an adamant stand against any improper or illegal practices in the conduct of our businesses.

SUSTAINING ENVIRONMENTAL FOREFRONT

In a world progressively focusing efforts on environmental preservation, See Hup upholds environmental stewardship as an integral part of its strategy towards sustainability. Towards that commitment, measures and considerations which may affect the Group's impact on environment have been embedded in our procedures and day to day operations.

One main initiative with such objective is with the structure of the Group in providing value-added total logistic solution, we have taken measures to ensure that our operations result in minimal environmental impact whilst ensuring that the customers' needs and expectations are met and exceeded. Additionally, it is in the Group's continuous intention to focus on increased use of higher capacity vehicles accompanied with effective capacity planning in order to cater for more freight under less fuel consumption circumstances.

In addition, we also emphasise timely maintenance and upkeep procedures on our fleet of vehicles with the establishment of an in-house team of mechanics alongside the facility of a quick-response team who are available to assist with any emergency breakdown or ad-hoc service needs. Provision of such facilities is in order to ensure that all our vehicles are always well-maintained and equipped, hence limiting the production of additional pollutants from each vehicle as well as decreasing the probability of unforeseen mishaps due to breakdowns.

Moreover, in order to reduce further carbon footprint and contribute to a better environment, the Group has taken efforts in energy savings as well as with the paperless conduct of administration. On top of which, we are currently initiating efforts in updating our data management system in view of converting our database and documentation into digital form to promote "paperless office" and to help improve the urban ecosystem.

Ultimately, the goal is to develop a culture within See Hup for responsible resource utilisation and to embed the importance of environmental protection among our employees.

SOCIAL CONTRIBUTION EFFORTS

Our social contribution covers an important perspective of See Hup as we acknowledge that our operations do always bear considerable impact on the surrounding communities. Therefore, we strive to be aware socially and act responsibly in bringing benefits to the society by initiating and partaking activities which support social causes, provide relief efforts and contribute ongoing assistances to the less fortunate and underprivileged.

During 2017, we participated in a clean-up effort which was carried out subsequent to the flooding incident that hit majority of Penang. We had employees volunteering in the clean-up session throughout areas within Butterworth which were badly hit by the flood as well as assigned transport vehicles in assisting with any transportation needs of the affected local community. It was an opportunity for the Group to play a part within the community in providing outreach assistances wherever possible in view of lessening the burden of the community.

Towards the goal of contributing back to the society, we have also made donation to various charitable organisations which support the welfare of the disabled and less fortunate during the year. In general, monetary donations and donations in kind are constantly provided by the Group in keeping with our continuous consideration to the impending needs of the society from time to time.

Collectively, the Group acknowledges the need for a healthy and constructive interdependence relationship between a company and its community, in order to develop a sustained operation.

SAFE WORKING ENVIRONMENT AND TALENT RETENTION

Besides the local community, See Hup recognises and values that employees are the core element which propels and sustains an organisation's success. As employees are the key to providing excellent customer service and delivering consistent quality outputs for customers, providing our employees with a good and safe working environment with the opportunities to develop careers alongside reasonably good benefits are the few measures See Hup focuses on implementing and enhancing.

With the intention of supporting a safe working environment, the Safety, Health and Environmental Committee ("SHEC") was established by the Group to monitor and administer all matters relevant to the general safety and health of employees alongside our influences over the environment. This is with the addition of a Safety and Health Officer alongside the implementation of various related policies in order to cultivate the necessary safe working practices and behaviour. With that, the Group endeavour to ensure that compliance over the relevant rules and regulations by the Department of Safety and Health ("DOSH"), Department of Environment ("DOE"), Land Public Transport Commission ("SPAD"), Road Transport Department ("JPJ") and other relevant authority body are fundamentally met on a consistent basis.

Besides, for upholding the welfare of our employees, the Group provides monetary contribution to non-executive employees in support of the welfare of the employees' children prior to the start of every schooling semester. Additionally, in ensuring our employees regularly update their skills and knowledge related to their job functions, the Group identifies suitable seminars, talks and briefings for employees' participation throughout the year, in fulfilling the objectives of the Human Resource Development Fund.

In overall, we have also continued the practice of conducting team gatherings and annual company dinners in regards to accomplishing a sense of belonging among the employees and as a token of gratitude in recognising their efforts.

FOR A PROGRESSIVE SUSTAINABLE FUTURE

Our efforts in embedding sustainability into our business have led us to reassessing our current operation and reviewing its performance in an alternative essential perspective. As the Group continues its efforts in adopting and applying effective Economic practices, responsible Environment approaches and sound Social policies under good governance framework, we shall keep in mind that sustainability is not an end state but a continuing process of improvement. Hence, we look forward to devote our efforts to seek opportunities whilst addressing foreseeing risks in our journey to commit to long term sustainability for the future.

OTHER DISCLOSURES

1. Status of Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year.

2. Audit /Non-Audit fees

The amount of audit and non-audit fees payable to the external auditors by the Group and the Company for the financial are as follows:-

	Group	Company
Audit Fees	148,000-00	RM20,000-00
Non-Audit Fees	Nil	RM5,000-00

3. Material Contracts

There were no contracts entered into by the Company and its subsidiaries involving the interests of the Directors or major shareholders, either still subsisting at the end of the financial year or entered into since the end of the financial year.

4. Contract relating to Loan

There were no material contracts relating to loans entered into by the Company and its subsidiaries involving the interests of the Directors or major shareholders.

5. Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature for the year ended 31 March 2018

5.1 The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2018 are as follows:-

Related Party with whom the Group is transacting	Company within the Group involved	Amount (RM)	Nature of transactions	Interested Related Party
Four Seas International Co. Ltd ("Four Seas")	See Hup Pioneer Logistics Sdn Bhd ("SHPL")	116,600 1,383,323	Provision of forwarding and transport services in Malaysia to Four Seas Provision of forwarding and transport services in Southern Thailand by Four Seas	***Interested Director/Major Shareholder*** Surasit Santiwarakom
See Hup Pioneer Logistics (Thailand) Co. Ltd ("SHPL Thailand")	SH Logistics (M) Sdn Bhd	– 852,613	Provision of transport services in Malaysia to SHPL Thailand Provision of transport services in Thailand by SHPL Thailand	***Interested Director/Major Shareholder*** Li Chun Huat

Related Party with whom the Group is transacting	Company within the Group involved	Amount (RM)	Nature of transactions	Interested Related Party
Tanjung Marine Sdn Bhd	SH Haulage Sdn Bhd	2,459,501	Provision of transportation services to Tanjung Marine Sdn Bhd	***Interested Director/Major Shareholder*** Haji Shamsul Ariffin Bin Mohd Nor
Mazs Marketing (M) Sdn Bhd	SHPL	449,889	Provision of transportation services to SHPL	***Interested Director/Major Shareholder*** Datuk Haji Muhadzir Bin Mohd Isa
SH Freight Services Sdn Bhd	SHPL	171,591	Provision of forwarding services to SHPL	***Interested Director/Major Shareholder*** Khoo Teng Lye
Biaxis (M) Sdn Bhd	See Hup Group	2,110,278	Provision of logistics services and supply of general merchandise, eg steel bars and other construction related materials to Biaxis (M) Sdn Bhd	***Interested Director/ Major Shareholder/ Person Connected*** Lee Chor Min/ Dato' Lee Hean Guan/ Lee Hean Huat Lee Hean Beng Lee Hean Teik Lee Hean Seng LHG Holdings Sdn Bhd

5.2 Amount of Financial Assistance between See Hup Consolidated Berhad and its subsidiaries

The amount of financial assistance effected between the Company and its subsidiary via a centralised treasury management function during the financial year ended 31 March 2018 are as follows :

Recipient - Subsidiaries	Provider	Amount (RM)	Interested Related Party
SH Haulage Sdn Bhd	See Hup Consolidated Berhad	–	*Interested Director/Major Shareholder* Haji Shamsul Ariffin Bin Mohd Nor
Mazs Marketing (M) Sdn Bhd		–	Datuk Haji Muhadzir Bin Mohd Isa

AUDIT COMMITTEE REPORT

The primary purpose of the Audit Committee is to support and advise the Board by providing an oversight of the financial reporting process, the system of internal controls, the audit procedures, and compliance with laws and regulations by:

- Overseeing the integrity of the financial statements and any formal announcements relating to financial performance;
- Reviewing the adequacy and entirety of internal controls system and risk management framework;
- Assessing the effectiveness of the internal audit function;
- Reviewing the performance and independence of the auditors; and
- Recommending to the Board in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor.

The Terms of Reference of the Audit Committee are available on the Company's website at www.seehup.com.my.

MEMBERSHIP

Members of the Committee comprise the following:

Name	Designation
Ng Shiek Nee	Chairman, *Independent Non- Executive Director*
Lee Phay Chian	Member, *Independent Non-Executive Director*
Mak Cheow Yeong	Member, *Independent Non-Executive Director*

COMPOSITION

The Committee, which is appointed by the Board from amongst its members, shall fulfill the following requirements:

- the Committee must be composed of no fewer than three (3) members, all of whom must be non-executive directors, with the majority being Independent Directors; or
- at least one member of the Committee must be a member of the Malaysian Institute of Accountants (MIA); or
- if the member is not a member of the MIA, the member must have at least 3 years' working experience and:
  - Has passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
  - Be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

If a member of the Committee resigns, dies, or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such number of new members as may be required to fill the vacancy.

A former key audit partner of the Company shall observe a cooling-off period of at least two (2) years before being appointed as a member of the Committee.

No alternate Director can be appointed a member of the Committee.

Quorum shall be the majority of members present.

The term of office of the Committee members shall be reviewed by the Board at least once every three (3) years. Additionally, the Board assesses the performance of the Committee and its members through an annual effectiveness assessment. The Board is satisfied that the Committee discharged their roles, functions and duties in accordance with the Committee's Terms of Reference, in support of the Board in ensuring a good governance structure within the Group.

CHAIRMAN OF AUDIT COMMITTEE

The Chairman of the Committee shall be an Independent Non-Executive Director.

In the absence of the Chairman, the members of the Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director.

ATTENDANCE AT MEETINGS

The Committee met on four (4) occasions during the financial year. Details of the attendance of the Committee are as follows:

Name of Committee	Attendance
Ng Shiek Nee	4/4
Lee Phay Chian	4/4
Mak Cheow Yeong	4/4

The agenda, together with working papers, was circulated at least one week before each meeting to members of the Committee.

The Group Finance Manager and a representative of the external auditors and the internal audit function are invited at least once annually to attend a meeting. The external auditors may request a meeting if they consider that one is necessary.

The Secretary shall circulate the minutes of Committee meetings to all members of the Board.

AUTHORITY

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized by the Board to obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

ACTIVITIES

The activities of the Committee during the financial year were as follows:

<u>Financial Reporting</u>

- Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Group and its related noted to the financial statements for the period ended 31 March 2018 and relevant announcements before recommending to the Board for approval.
- Reviewed significant events, material adjustments and materials issues (if any) in quarterly results and obtained sufficient clarification from the Management in view of the major accounting principles and policies that were applied and the reasonableness of judgements and estimations made in the preparation of financial statements and similar disclosures.
- Deliberated and confirmed with the Management that the Group's financial records have been prepared in compliance with applicable approved Malaysian Financial Reporting Standards with the consideration of safeguarding the accuracy and integrity of information.

<u>External Audit</u>

- Reviewed and approved the audit plan presented by the external auditors which comprised amongst others, details of the engagement team, audit methodology and materiality, preliminary audit risk assessment, general coverage audit assessment and strategy, fieldwork schedule and scope of audit work for the year.
- Deliberated on the significance of new developments on accounting standards issued by the Malaysian Accounting Standards Board over the Group's financial reporting. The relevant accounting standards were highlighted for reference by the external auditors.
- Considered the external auditors' assessment on the Group's internal control structure in order to ascertain that adequate and effective procedures were established for administration of the Group's financial reporting.
- Carried out an assessment over the performance and independence of the external auditors for the financial year, with guidance of a policy maintained by the Committee. In summary, the assessment considered the quality of services provided, the adequacy of resources allocated, in terms of professional staff assigned and duration of fieldwork and a consideration over the provision of non-audit services, if any, during the year.
- Conducted two private session with the external auditors without the presence of the Executive Directors and Management staff on 28 February 2018 and 31 May 2018 to discuss issues of concern to the auditors.

AUDIT COMMITTEE REPORT (CONT'D)

Internal Audit and Control

- Reviewed the internal audit plans and reports during the financial year on three (3) internal audit visits conducted, with deliberation on the recommendations thereof and the Management's responses on action implementation. Furtherance to which, a discussion with the Management on the actions to improve the system of internal control was carried out in relation to improvement opportunities identified in the said internal audit reports.

- Monitored the implementation of agreed corrective action plans by the Management whilst on any undue delay of execution, justifications were obtained and assessed.

- Assessed the performance and functions of the internal audit services during the financial year through an evaluation on the scope of the internal audits, the internal auditors' understanding of the business operation and environment, resources allocation, quality of services rendered and deliverables features.

- Reviewed the recurrent related party transactions of the Group to ensure that these transactions are in accordance with the mandate obtained.

Other Matters

- Reviewed the Circular to Shareholders on Recurrent Related Party Transactions.
- Reviewed and recommended to the Board, the Audit Committee Report and Statement on Risk Management and Internal for inclusion in the Annual Report.

Internal Audit Function

The Group outsourced the internal audit function to a professional firm of consultants, BDO Governance Advisory Sdn Bhd, to provide the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control within the Group. The total cost incurred in respect of the internal audit function for the year was RM28,500-00.

During the financial year ended 31 March 2018, the internal audit function carried out three (3) cycles of internal audit to test the effectiveness of the internal control system of the Group. For further reference, details of each internal audit visit is summarised within the Statement on Risk Management and Internal Control.

The internal audit function is independent of the activities or operations of the Group. The principal role of the internal audit function is to undertake independent, regular and systematic reviews of the system of internal control to provide reasonable assurance that such system continues to operate satisfactorily and effectively. It is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group.

The internal audit function adopted a risk-based approach in its review of the internal controls in the key activities of the major business units based on a detailed annual internal audit plan approved by the Audit Committee.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board is committed in exercising good corporate governance in overseeing the Group's business operations and thus, seeks to adopt the guidance provided in the publication "Statement on Risk Management and Internal Control: Guidelines for Directors of Public Listed Companies" (the "Guidelines"), which is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Accordingly, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group, that has been in place for the financial year and that this process is periodically reviewed by the Board and accords with the Guidelines.

Board Responsibility for Risk Management and Internal Control

The Board affirms its overall responsibility in maintaining a sound process of internal control and risk management practices and for reviewing the adequacy and integrity of the system to safeguard shareholders' investments and the Group's assets. The process covers not only financial controls but also operational and compliance controls. In view of the limitation inherent in any process, the Board recognizes that the system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and achieving corporate objectives within the risk tolerance established by the Board and the Management. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud.

Enterprise Risk Management Framework

The formalisation of the Group's Risk Management Framework which is based on Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Enterprise Risk Management Framework incorporates an on-going process of identifying, controlling, monitoring and reporting materials risks which may have an impact on the achievement of the Group's strategic business objectives. Additionally, the framework underlines the importance of balancing between risk and reward in making corporate decisions and acts as a tool for the Board and Group in anticipating and managing both existing and potential risks.

Risks are considered in the development and administration of the business in order to provide assurance to the Board and relevant stakeholders on the adequacy and effectiveness of risk management. Besides, the Board established a Risk Management Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the framework.

Through the assistance of external advisors, the Board developed and formalised the Risk Management Framework which comprises the following key elements of a risk governance structure:

<u>Risk Management Organisational Structure</u>
Based on the Group's Risk Management Organisational Structure, the following diagram outlines the main parties and their roles and responsibilities:

Board of Directors	• Overseeing the overall risk management and internal control framework. • Approve risk management framework and organisational structure. • Develop the risk appetite of the Group. • Review and deliberate on reports of risk management and internal control.
Audit Committee	• Assist in evaluating the adequacy of the Group's risk management and internal control framework. • Monitor the discharge of roles and responsibilities of the Risk Management Committee. • Review the reports from the Risk Management Committee and the Group's Risk Register.
Risk Management Committee	• Administration of risk update, i.e. assessment and consolidation of department risk register prior to updating Group's Risk Register. • Analyse and advise on action plans for mitigating risks identified. • Oversees the compliance of Risk Management Framework and its development.
Head of Department(s)	• Primarily responsible for managing risks on a day to day basis. • Coordinate with Risk Management Committee on implementation of risk management policy and practices. • Adopt and monitor the execution of mitigation actions where appropriate. • Conduct preliminary risk review and carry out initial update of risk register.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management Process
A summary of the risk management procedures undertaken under the structure of the Group's Risk Management Framework can be delineated as such:

i. Risk Identification Process
   - Procedures of identifying all hazards, threats or opportunities which may impact the achievement of the Group's business objectives.
   - Identification of risk process is to be carried out under the responsibility of all level of management team of the Group in relation to existing and proposed activities, systems and procedures.
   - Discussion and review between control or risk owner(s) on new risk identified prior to update of the risk database.

ii. Risk Evaluation Process
   - Process of ranking risk based on a set of prescribed measures which involves the consideration of the following:

• Likelihood of this risk(s) may occur.
• Potential impact/consequence of risk(s), should it occur.

   - Assessment of risk is undertaken by combining estimates of impact and likelihood within the context of existing control environment and measures.
   - Additionally, risk assessment scale shall be accompanied with the utilisation of experience and judgement by the Management.

iii. Risk Treatment Process
   - This phase involves the identification of risk mitigation measures and evaluation of those options in relation to the range of risk identified.
   - Upon the finalisation of said plan, the implementations of mitigation actions are delegated for execution.

iv. Risk Monitoring and Reporting
   - Procedures which include the review of status of action plans and key performance indicators, where applicable in view to provide assurance that risks are being managed as expected.
   - Regular monitoring of the Group's risk profile in pursuance of reflecting the changing circumstances and new exposures.
   - Risk reporting structure that defines the level of risk escalation process and format of reporting for progressive status update and matters which requires immediate actions.

In addition, the formalisation of the abovementioned framework encompasses the following additional key elements:

- The Group Executive Directors in consultation with key management personnel of respective operating companies are tasked with the responsibility to identify and communicate to the Board of Directors the critical risks (both present and potential) the Group faces, their changes and the management action plans to manage the risks;
- The Group Internal Auditors reporting directly to the Audit Committee, periodically updates the risk profiles of major business units in the Group, together with a summary of the key findings to present to the Board for consideration; and
- The entire ERM process will be reviewed by the Risk Management Committee as and when circumstances indicate a need for full review in which significant risks which may inflict the Group in–are re-evaluated according to their likelihood of occurrence and severity of consequence. Existing controls to mitigate and manage these risks are then re-assessed and strengthened.
- No significant risk has been identified which in the event of its occurrence will result in a critical disruption to operations or materially impact its financial performance on a Group basis.

In summary, the Group's financial and operation performance are influenced by a range of risk factors, from those being monitored and managed presently, to those current assessed as insignificant or beyond the Group's control. Principally, areas for risk identification of the Group may be categorised into general categories such as cost of operation, sales and marketing, customer service, human resource and competitive threat. Henceforth, the aim of the abovementioned risk governance structure is to fully aid the Group in mitigating those exposures.

Internal Audit Function

The Group outsourced its internal audit function to a professional firm of consultants to provide the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control.

The internal auditors report to the Audit Committee on internal audit findings and recommend remedial action plans for possible improvement for the audited areas. The highlighted internal audit findings are followed-up by the internal auditors as well to ensure the control weaknesses, if any, are properly identified and addressed by the management.

During the financial year, the internal audit function reviewed the internal controls in the key activities of the Group's businesses on the basis of an annual internal audit plan approved by the Audit Committee. The internal audit adopted a risk-based approach and prepared its plan based on the risk profiles of the major business units in the Group. Opportunities for improvement to the system of internal control were identified and presented to the Audit Committee via internal audit reports, whilst Management formulated the relevant action plans to address the issues noted.

A total of 3 internal audit reviews were conducted by BDO Governance Advisory Sdn. Bhd. for the financial year ended 31 March 2018. The details of the said review can be delineated as follows:-

Internal Audit Visits	Audit Period	Names of Auditees	Audited Areas
First Visit in March 2017	20 March 2017 - 24 March 2017	See Hup Pioneer Logistics (T) Co Ltd	Procure to Pay
Second Visit August 2017	7 - 10 August 2017, 16 - 18 August 2017 & 22 - 23 August 2017	See Hup Pioneer Logistics Sdn Bhd	Procure to Pay
Third Visit September 2017	25 September 2017 - 29 September 2017	See Hup Pioneer Logistics (T) Co Ltd	Sales to Receipt

Other Key Risk Management and Internal Control Processes

Apart from risk management and internal audit, the Board has established the following processes throughout the financial year:

- an organisational structure with formally defined lines of responsibility and delegation of authority, with appropriate personnel heading the various business units in the Group, has been established;
- a process of hierarchical reporting has been drawn up, which provides for a documented and auditable trail of accountability. The procedures include the establishment of authority limits, credit control and have in practice a policy of continuous staff training and development, staff performance evaluations and the conduct of due inquiries on serious misconduct. These procedures are relevant across the Group's operations and provide for continuous assurance to be given at increasingly higher levels of Management and, finally, to the Board;
- monthly management accounts of all subsidiaries and associates are presented by senior finance and accounting personnel to key executive directors to review financial performance to date and address areas of financial and operational concerns;
- the Group Managing Director also reports to the Board on significant changes in the business and external environment, which affects the operations of the Group at large. The Executive Directors also provide the Board with quarterly financial information, including pertinent explanations on the performance of the Group;
- where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and Management; and
- The Management has in place internal policies on the expected code of conduct and ethics which are presently communicated verbally to its employees to facilitate a conducive working environment.

Review of the statement by external auditors

The external auditors, Messrs UHY, have reviewed this `Statement on Risk Management and Internal Control in accordance with paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia and Audit and Assurance Practice Guide 3 ("AAPG 3") (Previously RPG5) Guidance for Auditors on Engagements issued by the Malaysian Institute of Accountants and reported that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of risk management and internal controls of the Group.

The Board's Opinion

The Board has received assurance from the Group Managing Director and the Finance Manager that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 31 March 2018 and there are sound and sufficient controls in place within the Group.

The Board recognizes the importance of strong internal control and risk management processes to protect the Group's interest and that of its stakeholders, particularly on enhancing shareholder value. In this regard, the Board will continuously monitor the effectiveness of these processes and, where necessary, take the necessary improvement actions.

This statement is issued in accordance with a resolution of the Directors dated 31 May 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Malaysia performed above expectations in 2017 when it achieved GDP growth of 5.9% in 2017 compared to the projected growth rate of 4.5%-5% consensus by private economic research institutions and Bank Negara Malaysia ("BNM").

This favourable growth rate was driven by domestic private consumption, improved global commodity prices and strong external demand in line with the rapid growth in demand for digital technology components.

The country is at a cross road today, politically and economically post 14th General Elections in May 2018. Having a newly minted Government which came into power on a platform of being reformist, prudent and transparent in guiding its governance role, lends an element of uncertainty to the direction of Malaysia's economy in the short term but augurs well for the country's open economy in the long term.

While Malaysia was able to record a commendable GDP growth of 5.4% for the first quarter of 2018, it is expected to return marginally lower growth in the remaining quarters in the face of domestic and external headwinds. Investors are taking a cautious approach pending the Government review of various mega infrastructure projects in the country and for any escalation in the trade war between the United States of America and China which could pose a downside risk to global supply chain economic activities.

An understanding of domestic and global economic indicators is vital for the Company to strategize its operational activities to capitalise on opportunities arising in a rapidly changing economic landscape and enhance the growth momentum of See Hup as a preferred logistics service provider.

Financial Review

The Group achieved an overall increase in revenue of RM5.9 million to RM93.8 million compared to RM87.9 million in the previous financial year. This is reflected in the 46% growth in revenue of its air and sea freight forwarding business division recording a turnover of RM22.5 million (2017: RM15 million) accounting for 24% (2017: 17%) of total Group turnover.

In BNM's Quarterly Report Bulletin for 1st Quarter 2018, it outlined that global trade continues to improve on the back of broad based global demand particularly in the E&E products destined for the automobile, mobile telecommunications and household appliances sectors.

The Group's profit from operations amounted to RM2.6 million compared to last financial year of RM0.9 million. The higher reported profit included gain on disposal of property, plant and equipment and the realisation of certain investments.

Finance cost has dipped to RM0.7 million compared to RM0.8 million in the last reporting period as the Group had pared down all its short term borrowings to remain its medium term borrowings with longer repayment obligations at lower costs in financing acquisitions of property and operating assets.

While the Group reported a net loss of RM321,000 in the previous financial year, it is now reporting a net profit of RM1.3 million coupled with a strong cash position has enabled the Company to declare an interim dividend of 2.7 sen per share amounting to RM2,161,439 which was paid on 6 April 2018.

The Company's corporate exercise initiated in 2012 comprising the issuance of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") and Warrants reached its maturity date in December 2017 which saw the Company receiving total proceeds of RM23 million from its shareholders on conversion of ICULS and warrants into new ordinary shares. The excess funds from this corporate exercise has been invested in the money market to yield tax free returns pending identification of utilisation for viable business development expenditure.

The Group as at financial year end is in a net cash position with funds amounting to RM23.5 million. On the completion of the corporate exercise, the Group's net equity stands at RM88.1 million, compared to RM66.3 million in the last financial year.

Operational Review

During the year, the Group incurred approximately RM3.9 million in acquiring operating assets for its business comprising prime movers, cargo trailers, low loaders, bulk tankers, mixer trucks and forklifts as replacement and additional revenue generating assets relevant to its core business of providing inland transportation solutions.

The Group has established its presence throughout Peninsular Malaysia with its subsidiaries having operations in the southern and central regions contributing approximately 13% and 16% respectively to the Group's revenue. Its mainstay of operations is still in the northern states of Penang and Kedah where a substantial portion of its logistics services consisting inland transportation, warehousing, air and sea freight forwarding services is undertaken.

Prospects

While seeking to further develop its customer base and build on existing business partnerships in the northern region of Malaysia, the focus of business expansion will be in the Klang Valley and Johor Bahru due to the rapid development of public infrastructure projects, target of foreign direct investment and high population leading to strong private consumption demand.

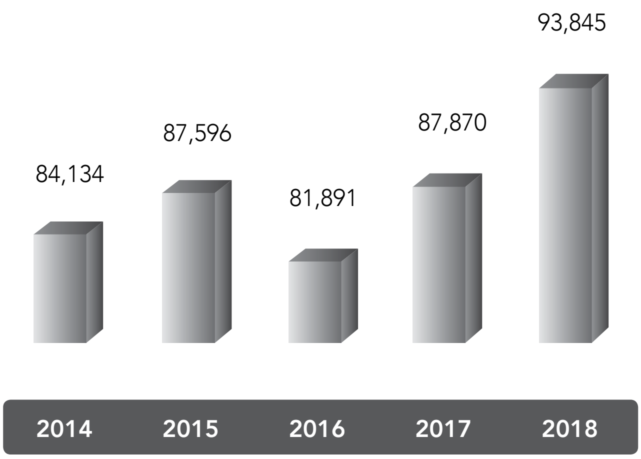
The Group believes in the strength of its human resource assets to see further growth in the Group's total logistics services, will further enhance recruitment of new talents to lend weight to See Hup's logo as the preferred logistics solutions provider assisted through upgrades in the use of information technology to provide efficient analysis of market, operational and financial data.

FINANCIAL HIGHLIGHTS

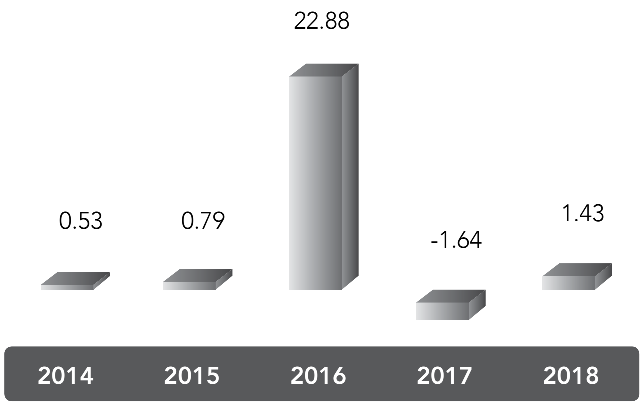
Five Years Financial Highlights

	2014 RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000
Revenue	84,134	87,596	81,891	87,870	93,845
Profit/(Loss) Before Taxation	333	1,998	11,756	89	1,830
Profit/(Loss) After Taxation	81	1,008	11,335	(321)	1,297
Profit/(loss) Attributable to Owners of the Company	276	411	11,072	(856)	846
Shareholders' Fund	59,036	59,104	68,594	66,327	88,064
Basic Earnings/(Loss) Per Share (Sen)	0.53	0.79	22.88	(1.64)	1.43
Net Assets Per share attributable to ordinary equity holders of the parent(Sen)	114.71	114.90	132.01	126.94	109.51

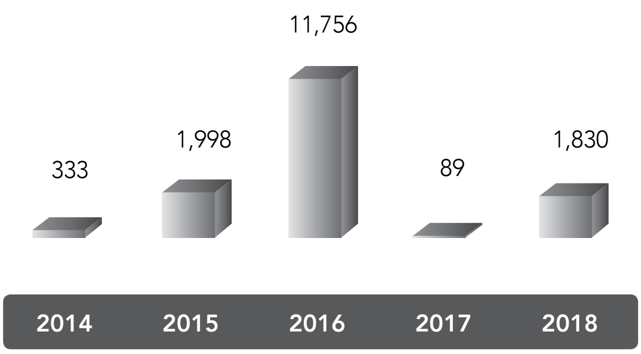
Revenue (RM'000)



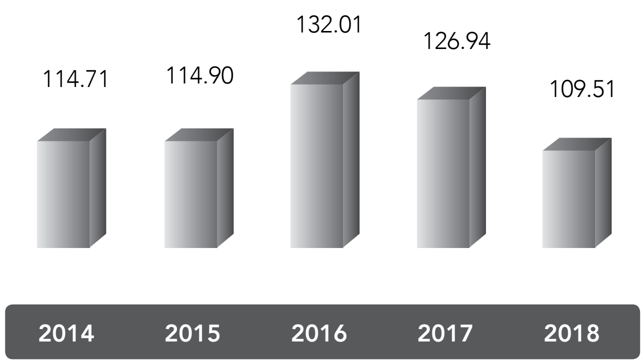
Basic Earnings/(Loss) Per Share (Sen)



Profit/(Loss) Before Taxation (RM'000)



Net Assets Per share attributable to ordinary equity holders of the parent(Sen)



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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

Principal Activities

The principal activity of the Company is an investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

Financial Results

	Group RM	Company RM
Profit for the financial year	1,296,822	1,654,676
Attributable to:		
Owners of the parent	845,702	1,654,676
Non-controlling interests	451,120	-
	1,296,822	1,654,676

Reserves and Provisions

All material transfers to or from reserves and provisions during the financial year are as disclosed in Note 17 to the financial statements.

Dividends

Since the end of the previous financial year, the Board of Directors declared a first single-tier interim dividend of RM0.027 per share, totalling RM2,161,439 in respect of the financial year ended 31 March 2018 payable on 6 April 2018.

The Board of Directors does not recommend any final dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company issued:

(a) 18,070,924 new ordinary shares from the exercise of warrants at the exercise price of RM1.00 per warrant in accordance with the Deed Poll dated 26 December 2012; and

(b) 10,097,312 new ordinary shares at RM9,362,220 arising from the conversion of 50,970,925 of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM0.10 nominal value each at the conversion price of RM1.00 per new ordinary shares.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Treasury Shares

As at 31 March 2018, the Company held 373,000 treasury shares out of the total 80,426,031 issued ordinary shares. Further relevant details are disclosed in Note 18 to the financial statements.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Warrants

During the financial year 2013, the Company issued:

a) 9,192,930 free warrants ("Warrants") to subscribers of the Renounceable Rights Issue ("Rights Shares") of 4,596,465 new ordinary shares of RM1.00 each in the Company on the basis of two (2) Warrants for every one (1) Rights Shares subscribed; and

b) 11,200,000 free warrants ("Warrants") to subscribers of private placement ("Placement Shares") of 5,600,000 new ordinary shares of RM1.00 each in the Company on the basis of two (2) Warrants for every one (1) Placement Share subscribed.

Each warrant carries the entitlement, at any time during the exercise period, to subscribe for one (1) new ordinary share of RM1.00 each in the Company at the exercise price of RM1.00 per ordinary share, subject to adjustments in accordance with the provisions of the Deed Poll to be satisfied in cash. Any warrant not exercised during the exercise period will lapse and thereafter cease to be valid for any purpose.

DIRECTORS' REPORT (CONT'D)

Warrants (Cont'd)

During the financial year, 18,070,924 warrants were exercised by warrant holders to subscribe for 18,070,924 new ordinary shares. The Warrants expired on 22 December 2017. Further relevant details are disclosed in Note 17(b) to the financial statements.

Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

On 26 December 2012, the Company issued RM5,107,093 nominal value of 5-year 4.6% ICULS at 100% of its nominal value for working capital purposes and to partially repay the Group's bank borrowings.

The Company's ICULS has expired on 22 December 2017.

The salient features of the ICULS are disclosed in Note 19(c) to the financial statements.

Directors

The Directors in office during the financial year until the date of this report are:

Lee Chor Min*
Datuk Haji Muhadzir Bin Mohd. Isa*
Lee Hean Huat*
Haji Shamsul Ariffin B. Mohd Nor*
Ng Shiek Nee
Mak Cheow Yeong
Lee Phay Chian

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Dato' Lee Hean Guan
Lee Hean Teik
Lee Hean Beng
Lee Hean Seng
Jamaliah Binti Haji Hassan
Lee Yee Huei
Tong Wei Wei
Lim Weng Nam
Prasit Rungnapha
Surasit Santiwarakom
Khoo Teng Lye

Directors (Cont'd)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report: (Cont'd)

Li Chau Ging
Li Chun Huat
Ng Thor Fung
Leong Lee Shan (Appointed on 17.7.2017)
Lai Yew Chong
Teh Bee Ling

** Director of the Company and its subsidiary companies*

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2017	**Bought**	**Sold**	**At 31.3.2018**
Interests in the Company				
Direct interests				
Lee Chor Min	500,000	100,000	-	600,000
Lee Hean Huat				
- Own	631,330	143,200	-	774,530
- Others #	1,146,000	750,000	-	1,896,000
Haji Shamsul Ariffin B. Mohd Nor	35,000	-	-	35,000
Ng Shiek Nee	20,000	-	-	20,000
Mak Cheow Yeong	43,400	-	-	43,400
Lee Phay Chian	66,000	22,000	-	88,000
Deemend interests				
Lee Hean Huat				
- Own	8,470,594	100,000	-	8,570,594
- Others #	678,900	-	-	678,900

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of ordinary shares			
	At 1.4.2017	Bought	Sold	At 31.3.2018
Interests in Subsidiary Companies				
(Mazs Marketing (M) Sdn. Bhd.)				
Datuk Haji Muhadzir Bin Mohd Isa	170,000	-	-	170,000
(SH Haulage Sdn. Bhd.)				
Haji Shamsul Ariffin B. Mohd Nor	300,000	-	-	300,000

	Number of warrants			
	At 1.4.2017	Bought	Exercised	At 31.3.2018
Interests in the Company				
Lee Chor Min	100,000	-	(100,000)	-
Lee Phay Chian	22,000	-	(22,000)	-

deemed interest by virtue of shares held by spouse/children.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 32 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

  (i) which would render it necessary to written off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) 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.

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

  (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;

(ii) 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; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration are set out in Note 25 to the financial statements.

Subsequent Events

Details of the significant events are disclosed in Note 36 to the financial statements.

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 July 2018.

LEE CHOR MIN	LEE HEAN HUAT

PENANG

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 52 to 158 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 of 31 March 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 July 2018.

LEE CHOR MIN	LEE HEAN HUAT

PENANG

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

I, LIM SOON HOCK, being the officer primarily responsible for the financial management of See Hup Consolidated Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 52 to 158 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at George Town in the State of)
Penang on 20 July 2018)

LIM SOON HOCK

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEE HUP CONSOLIDATED BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of See Hup Consolidated Berhad, which comprise the statements of financial position as at 31 March 2018 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 158.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
1. Impairment of trade receivables	
The carrying amount of the Group's trade receivables was amounted to RM24,185,395. During the financial year, the Group assessed the impairment of trade receivables and the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.	We obtained and evaluated the appropriateness of the Group's policy on management of credit risk and its credit exposures. We reviewed and evaluated the design, implementation and operating effectiveness of key controls over the administration and monitoring processes of credit control. We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss; and tested the accuracy and completeness of the data used by the management. We reviewed the adequacy of the amount of impairment loss and enquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and review of customers' correspondence. We reviewed the appropriateness of the indicators of impairment and disclosures made in accordance with MFRS 136 *Impairment of Assets*.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the 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.

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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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 finance 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEE HUP CONSOLIDATED BERHAD (CONT'D)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 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 purposes. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LOH CHYE TEIK
Approved Number: 1652/08/2018 (J)
Chartered Accountant

PENANG
20 July 2018

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	34,226,558	35,895,389	-	-
Investment properties	5	22,057,030	22,044,712	-	-
Goodwill on consolidation	6	-	-	-	-
Investments in subsidiary companies	7	-	-	30,270,493	31,615,538
Investments in associates	8	2,854,612	2,947,565	965,432	965,432
Other investments	9	154,482	178,677	101,282	101,282
Deferred tax assets	10	-	52,987	-	52,987
		59,292,682	61,119,330	31,337,207	32,735,239
Current assets					
Inventories	11	136,698	39,980	-	-
Trade receivables	12	24,185,395	22,850,149	-	-
Other receivables	13	11,341,667	2,226,533	8,253,089	18,784
Amount due from subsidiary companies	14	-	-	48,903,322	26,069,081
Current tax assets		560,926	569,246	13,490	2,007
Deposits, cash and bank balances	15	26,919,355	9,467,251	2,227,053	29,345
		63,144,041	35,153,159	59,396,954	26,119,217
Total assets		122,436,723	96,272,489	90,734,161	58,854,456
EQUITY					
Share capital	16	81,109,469	50,495,842	81,109,469	50,495,842
Reserves	17	7,326,703	16,203,535	392,946	8,441,036
Treasury shares	18	(372,200)	(372,200)	(372,200)	(372,200)
Equity attributable to owners of the parent		88,063,972	66,327,177	81,130,215	58,564,678
Non-controlling interests		927,784	727,549	-	-
Total equity		88,991,756	67,054,726	81,130,215	58,564,678

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Loans and borrowings	19	9,058,324	6,817,627	3,172,642	-
Deferred tax liabilities	10	1,862,487	2,105,266	-	-
		10,920,811	8,922,893	3,172,642	-
Current liabilities					
Loans and borrowings	19	8,287,293	8,409,286	4,200,715	220,778
Trade payables	20	8,205,587	8,570,824	-	-
Other payables	21	6,031,276	3,264,742	2,230,589	69,000
Current tax liabilities		-	50,018	-	-
		22,524,156	20,294,870	6,431,304	289,778
Total liabilities		33,444,967	29,217,763	9,603,946	289,778
Total equity and liabilities		122,436,723	96,272,489	90,734,161	58,854,456

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Revenue	22	93,844,462	87,869,687	1,440,000	-
Other operating income		4,479,451	2,030,312	527,957	552,181
Trading inventories sold		(4,881,150)	(6,344,236)	-	-
Staff costs	23	(22,781,805)	(20,800,401)	(74,000)	(65,000)
Depreciation		(6,393,133)	(6,725,739)	-	-
Operating expenses		(61,666,999)	(55,166,570)	(145,710)	(99,440)
Profit from operations		2,600,826	863,053	1,748,247	387,741
Finance costs	24	(677,758)	(836,580)	(14,706)	(28,307)
Share of results of associates, net of tax		(92,953)	62,380	-	-
Profit before tax	25	1,830,115	88,853	1,733,541	359,434
Taxation	26	(533,293)	(409,498)	(78,865)	(110,723)
Profit/(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year		1,296,822	(320,645)	1,654,676	248,711
Profit/(Loss) for the financial year representing total comprehensive profit/(loss) for the financial year attributable to:					
Owners of the parent		845,702	(856,495)	1,654,676	248,711
Non-controlling interests		451,120	535,850	-	-
		1,296,822	(320,645)	1,654,676	248,711
Earnings/(Loss) per share					
Basic earnings/(loss) per share (sen)	28	1.43	(1.64)		
Diluted earnings/(loss) per share (sen)	28	1.43	(1.64)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Attributable to owners of the parent								
		Non-distributable					Distributable			
Group	Note	Share capital RM	Treasury shares RM	Equity components of ICULS RM	Warrants reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2017		50,495,842	(372,200)	4,360,844	3,589,156	(9,205)	8,262,740	66,327,177	727,549	67,054,726
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	845,702	845,702	451,120	1,296,822
Fair value adjustment		-	-	-	-	9,205	-	9,205	-	9,205
Transactions with owners:										
Conversion of ICULS	16	9,362,220	-	(4,360,844)	-	-	-	5,001,376	-	5,001,376
Exercise of warrants	17	21,251,407	-	-	(3,180,483)	-	-	18,070,924	-	18,070,924
Transfer to retained earnings upon lapse of warrants		-	-	-	(408,673)	-	408,673	-	-	-
Dividends to owners of the Company	29	-	-	-	-	-	(2,161,439)	(2,161,439)	-	(2,161,439)
Disposal of subsidiary company	7(b)	-	-	-	-	-	-	-	(334,858)	(334,858)
Disposal of equity interest in subsidairies	7(c)	-	-	-	-	-	(28,973)	(28,973)	83,973	55,000
Total transactions with owners		30,613,627	-	(4,360,844)	(3,589,156)	-	(1,781,739)	20,881,888	(250,885)	20,631,003
At 31 March 2018		81,109,469	(372,200)	-	-	-	7,326,703	88,063,972	927,784	88,991,756

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Attributable to owners of the parent									
		Non-distributable						Distributable			
Group	Note	Share capital RM	Share premium RM	Treasury shares RM	Equity components of ICULS RM	Warrants reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2016		48,668,909	1,826,933	(363,020)	4,360,844	3,589,156	(9,205)	10,520,132	68,593,749	191,699	68,785,448
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	-	(856,495)	(856,495)	535,850	(320,645)
Transactions with owners:											
Own shares acquired	18	-	-	(9,180)	-	-	-	-	(9,180)	-	(9,180)
Dividends to owners of the Company	29	-	-	-	-	-	-	(1,400,897)	(1,400,897)	-	(1,400,897)
Total transactions with owners		-	-	(9,180)	-	-	-	(1,400,897)	(1,410,077)	-	(1,410,077)
Transition to no-par value regime	17	1,826,933	(1,826,933)	-	-	-	-	-	-	-	-
At 31 March 2017		50,495,842	-	(372,200)	4,360,844	3,589,156	(9,205)	8,262,740	66,327,177	727,549	67,054,726

		Non-distributable				Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Equity components of ICULS RM**	**Warrants reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2017		50,495,842	(372,200)	4,360,844	3,589,156	491,036	58,564,678
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	1,654,676	1,654,676
Transactions with owners:							
Conversion of ICULS	16	9,362,220	-	(4,360,844)	-	-	5,001,376
Exercise of warrants	17	21,251,407	-	-	(3,180,483)	-	18,070,924
Transfer to retained earnings upon lapse of warrants		-	-	-	(408,673)	408,673	-
Dividends to owners of the Company	29	-	-	-	-	(2,161,439)	(2,161,439)
Total transactions with owners		30,613,627	-	(4,360,844)	(3,589,156)	(1,752,766)	20,910,861
At 31 March 2018		81,109,469	(372,200)	-	-	392,946	81,130,215

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Non-distributable					Distributable	
Company	**Note**	**Share capital RM**	**Share premium RM**	**Treasury shares RM**	**Equity components of ICULS RM**	**Warrants reserve RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2016		48,668,909	1,826,933	(363,020)	4,360,844	3,589,156	1,643,222	59,726,044
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	248,711	248,711
Transactions with owners:								
Own shares acquired	18	-	-	(9,180)	-	-	-	(9,180)
Dividends to owners of the Company	29	-	-	-	-	-	(1,400,897)	(1,400,897)
Total transactions with owners		-	-	(9,180)	-	-	(1,400,897)	(1,410,077)
Transition to no-par value regime	17	1,826,933	(1,826,933)	-	-	-	-	-
At 31 March 2017		50,495,842	-	(372,200)	4,360,844	3,589,156	491,036	58,564,678

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		1,830,115	88,853	1,733,541	359,434
Adjustments for:					
Bad debts recovered		-	(38,380)	-	-
Depreciation of:					
- property, plant and equipment		6,393,133	6,649,458	-	-
- investment properties		76,280	76,281	-	-
Dividend income		(225)	(1,194)	(1,440,000)	-
Gain on disposal of:					
- property, plant and equipment		(1,160,261)	(406,640)	-	-
- other investment		(25,777)	-	-	-
Impairment losses on trade receivables		314,331	248,534	-	-
Finance costs		677,758	836,580	14,706	28,307
Finance income		(556,974)	(392,893)	(527,957)	(552,181)
Loss on disposal of subsidiary company	7(b)	15,095	-	19,130	-
Property, plant and equipment written off		38	27,558	-	-
Reversal of impairment losses on trade receivables		(284,072)	(523,990)	-	-
Share of results of associates		92,953	(62,380)	-	-
Unrealised loss/(gain) on foreign exchange		45,062	(190,970)	-	-
Operating profit/(loss) before working capital changes		7,417,456	6,310,817	(200,580)	(164,440)
Change in working capital:					
Inventories		(96,718)	64,308	-	-
Receivables		(10,556,903)	(3,858,513)	(8,234,305)	4,795
Payables		245,109	786,214	150	(13,361)
Cash (used in)/generated from operations		(2,991,056)	3,302,826	(8,434,735)	(173,006)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Cash (used in)/generated from operations (Cont'd)		(2,991,056)	3,302,826	(8,434,735)	(173,006)
Dividends received		-	-	1,440,000	-
Tax paid		(763,947)	(970,527)	(37,361)	(88,471)
Tax refund		-	315,461	-	973
Net cash (used in)/ from operating activities		(3,755,003)	2,647,760	(7,032,096)	(260,504)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(c)	(2,789,241)	(2,896,380)	-	-
Acquisition of investment property		(88,598)	-	-	-
Dividends received		225	1,194	-	-
Interest received		556,974	384,471	527,957	552,181
Proceeds from disposal of:					
- subsidiary company, net of cash		(324,006)	-	378,000	-
- shares to non-controlling interest		55,000	-	-	-
- other investment		59,177	-	-	-
- property, plant and equipment		1,718,904	692,135	-	-
Net cash (used in)/from investing activities		(811,565)	(1,818,580)	905,957	552,181

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash flows from financing activities					
Cash (repaid to)/advanced from subsidiary companies		-	-	(21,886,326)	1,296,298
Dividends paid		-	(1,400,897)	-	(1,400,897)
Drawndown of bankers acceptance		56,000	540,000	-	-
Interest paid		(663,052)	(808,273)	-	-
Interest paid on ICULS		(235,484)	(235,109)	(235,484)	(235,109)
Net repayment of revolving credits		(3,050,000)	2,050,000	-	-
Proceeds from conversion of ICULS		5,001,376	-	5,001,376	-
Proceeds from exercise of warrants		18,070,924	-	18,070,924	-
Purchase of treasury shares		-	(9,180)	-	(9,180)
Repayment of finance lease liabilities		(2,196,543)	(2,131,566)	-	-
Drawndown of term loan		4,000,000	-	4,000,000	-
Repayment of term loans		(2,089,980)	(2,556,916)	-	-
Withdrawal of fixed deposits		-	50,447	-	-
Net cash from/(used in) financing activities		18,893,241	(4,501,494)	4,950,490	(348,888)
Net increase/(decrease) in cash and cash equivalents		14,326,673	(3,672,314)	(1,175,649)	(57,211)
Cash and cash equivalents at the beginning of the financial year		9,148,433	12,820,747	29,345	86,556
Cash and cash equivalents at the end of the financial year		23,475,106	9,148,433	(1,146,304)	29,345
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	15	6,635,423	4,043,981	2,227,053	29,345
Short-term deposits with licensed banks	15	20,283,932	5,423,270	-	-
Bank overdrafts	19	(3,444,249)	(318,818)	(3,373,357)	-
		23,475,106	9,148,433	(1,146,304)	29,345

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

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at 18, Jalan Limbungan, Off Jalan Chain Ferry, 12100 Butterworth, Penang.

The registered office of the Company is located at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal activity of the Company is an investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the Financial Statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year: (Cont'd)

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 27. Other than that, the adoption of above MFRS and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 *Share-Based Payment*		1 January 2020
• Amendment to MFRS 3 *Business Combinations*		1 January 2020
• Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*		1 January 2020
• Amendment to MFRS 14 *Regulatory Deferral Accounts*		1 January 2020
• Amendments to MFRS 101 *Presentation of Financial Statements*		1 January 2020
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*		1 January 2020
• Amendments to MFRS 134 *Interim Financial Reporting*		1 January 2020
• Amendment to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*		1 January 2020
• Amendment to MFRS 138 *Intangible Assets*		1 January 2020

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
• Amendment to IC Interpretation 12 *Service Concession Arrangements*		1 January 2020
• Amendment to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*		1 January 2020
• Amendment to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*		1 January 2020
• Amendment to IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*		1 January 2020
• Amendments to IC Interpretation 132 *Intangible Assets-Web Site Costs*		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt the above MFRSs when they become effective.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (Cont'd)

Based on the analysis of the Group's and of the Company's financial assets and liabilities as at 31 March 2018 on the basis of facts and circumstances that existed at that date, the Directors of the Group and of the Company have assessed the impact of MFRS 9 to the Group's and the Company's financial statements as follows:

(i) Classification and measurement

Based on its assessment, the Group and the Company believe that the new classification requirements will have no material impact on the Group's and the Company's financial assets and financial liabilities.

(ii) Impairment

The Group and the Company have chosen to apply the simplified approach prescribed by MFRS 9, which requires a lifetime expected credit loss to be recognised from initial recognition of the trade and other receivables, including financial assets. Due to the strong creditworthiness of the Group's and of the Company's receivables, the Group and the Company believe that the new impairment model will not have any significant impact on the Group's and the Company's financial statements. However, the Group and the Company have yet to complete the quantification of the financial impact.

(iii) Hedge accounting

As the Group and the Company do not apply hedge accounting, applying the hedging requirements of MFRS 9 will not have a significant impact on the Group's and the Company's consolidated financial statements.

The assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in 2019 when the Group and the Company adopt MFRS 9.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(ii) <u>MFRS 15 *Revenue from Contracts with Customers*</u>

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with the core principle by applying the following steps:

(1) Identify the contracts with a customer;
(2) Identify the performance obligation in the contract;
(3) Determine the transaction price;
(4) Allocate the transaction price to the performance obligations in the contract;
(5) Recognise revenue when the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group and the Company intend to adopt the standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

Based on the assessment, the Group and the Company do not expect the application of MFRS 15 to have a significant impact on its financial statements.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below: (Cont'd)

(iii) MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group and of the Company are currently being assessed by management.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

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

Judgement

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives of property, plant and equipment and investment properties</u>

The Group regularly review the estimated useful lives of property, plant and equipment and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties. The carrying amount at the reporting date for property, plant and equipment and investment properties are disclosed on Notes 4 and 5.

<u>Deferred tax assets</u>

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 10.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 12, 13 and 14 respectively.

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 issues 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. As at 31 March 2018, the Group and the Company have tax recoverable and payable of RM560,926 and RM13,490 (2017: RM569,246 and RM2,007) and RMNil (2017: RM50,018 and RMNil) respectively.

3. Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss. If the initial accounting for a business combination is incomplete by the end to the reporting period in which the combinations occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instruments and within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loss control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(b) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investments in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investments in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profit or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates (Cont'd)

In the Company's separate financial statements, investments in associates are either stated at cost less accumulated impairment losses or equity method. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting 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.

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investments in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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

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

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

Capital work-in-progress consists of motor vehicles and mobile cranes under installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction/installation are not depreciated until the assets are ready for its intended use.

3. **Significant Accounting Policies (Cont'd)**

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

(iii) Depreciation (Cont'd)

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold land	Over the remaining lease period
Buildings	2%
Motor vehicles and mobile cranes	10% - 33.3%
Plant, machinery and containers	10% - 33.3%
Furniture, fittings and office equipment	5% - 33.3%
Renovations	10%

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

(e) **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

<u>As lessee</u>

(i) Finance lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee (Cont'd)

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position.

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

As lessor

Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	2% - 20%
Commercial properties	2%

3. Significant Accounting Policies (Cont'd)

(f) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occuped property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(g) Financial assets

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or losses that had been recognised in equity is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

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

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprises trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original and modified 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.

3. Significant Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

A financial liability is derecognised when, and only when, the obligation specified in the contract 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(i) Offsetting of financial instruments

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

(j) Inventories

Trading inventories, spare parts and consumables inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprises cost of purchase and other costs incurred in bringing it to their present location and condition, are determined on weighted average basis.

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.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each reporting period at the same time.

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

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets

All financial assets, other than those categorised as investments in subsidiary companies and associates, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(l) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Available-for-sale financial assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instrument, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the financial asset and the Group's share of net assets or the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3. Significant Accounting Policies (Cont'd)

(m) Share capital

(i) Ordinary shares

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 net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(n) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3. Significant Accounting Policies (Cont'd)

(o) Provisions

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

Provisions are reviewed at each end of the reporting period 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.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(p) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. 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 and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3. Significant Accounting Policies (Cont'd)

(q) Revenue

(i) Sale of goods

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

(ii) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the reporting period.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Dividend income

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

(v) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(vi) Management fee

Management fee is recognised on accrual basis when services are rendered.

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3. Significant Accounting Policies (Cont'd)

(r) Borrowing costs (Cont'd)

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

3. Significant Accounting Policies (Cont'd)

(s) Income taxes (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(v) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are recognised inclusive of GST.

The net amount of GST being the difference between output and input of GST, payables to or receivables from the authority at the reporting date, is included in other payables or other receivables in the statements of financial position.

4. Property, Plant and Equipment

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Leasehold buildings RM	Motor vehicles and mobile cranes RM	Plant, machinery and containers RM	Furniture, fittings and office equipment RM	Renovations RM	Capital work-in-progress RM	Total RM
2018										
Cost										
At 1 April 2017	1,160,542	13,007,170	729,987	3,828,823	77,394,455	9,120,333	2,635,817	292,553	80,000	108,249,680
Additions	-	103,043	-	-	4,162,522	84,406	657,459	276,385	-	5,283,815
Disposals	-	-	-	-	(4,648,810)	(960,563)	(2,290)	(49,522)	-	(5,661,185)
Written off	-	-	-	-	(1,876,715)	(85,000)	-	-	-	(1,961,715)
Reclassification	-	-	-	-	80,000	-	(28,339)	28,339	(80,000)	-
Disposal of subsidiary company	-	-	-	-	-	-	(42,302)	-	-	(42,302)
At 31 March 2017	1,160,542	13,110,213	729,987	3,828,823	75,111,452	8,159,176	3,220,345	547,755	-	105,868,293
Depreciation and impairment loss										
At 1 April 2017										
Accumulated depreciation	-	713,750	448,390	931,532	58,948,108	8,922,254	2,141,611	179,804	-	72,285,449
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	713,750	448,390	931,532	59,016,950	8,922,254	2,141,611	179,804	-	72,354,291
Charge for the financial year	-	147,806	104,020	76,576	5,542,962	200,742	244,895	76,132	-	6,393,133
Disposals	-	-	-	-	(4,134,101)	(918,887)	(46)	(49,508)	-	(5,102,542)
Written off	-	-	-	-	(1,876,678)	(84,999)	-	-	-	(1,961,677)
Reclassification	-	-	-	-	-	-	(17,387)	17,387	-	-
Disposal of subsidiary company	-	-	-	-	-	-	(41,470)	-	-	(41,470)
At 31 March 2018										
Accumulated depreciation	-	861,556	552,410	1,008,108	58,480,291	8,119,110	2,327,603	223,815	-	71,572,893
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	861,556	552,410	1,008,108	58,549,133	8,119,110	2,327,603	223,815	-	71,641,735
Carrying amount										
At 31 March 2018	1,160,542	12,248,657	177,577	2,820,715	16,562,319	40,066	892,742	323,940	-	34,226,558

4. Property, Plant and Equipment (Cont'd)

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Leasehold buildings RM	Motor vehicles and mobile cranes RM	Plant, machinery and containers RM	Furniture, fittings and office equipment RM	Renovations RM	Capital work-in-progress RM	Total RM
2017										
Cost										
At 1 April 2016	1,160,542	10,426,660	697,397	3,804,823	78,710,416	11,482,571	2,487,362	358,993	503,918	109,632,682
Additions	-	2,580,510	32,590	24,000	2,292,085	97,678	157,462	-	80,000	5,264,325
Disposals	-	-	-	-	(3,399,972)	(2,430,138)	-	(66,440)	(77,355)	(5,973,905)
Written off	-	-	-	-	(634,637)	(29,778)	(9,007)	-	-	(673,422)
Reclassification	-	-	-	-	426,563	-	-	-	(426,563)	-
At 31 March 2016	1,160,542	13,007,170	729,987	3,828,823	77,394,455	9,120,333	2,635,817	292,553	80,000	108,249,680
Depreciation and impairment loss										
At 1 April 2016										
Accumulated depreciation	-	528,781	442,414	822,676	56,934,968	11,093,234	1,948,297	199,895	-	71,970,265
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	528,781	442,414	822,676	57,003,810	11,093,234	1,948,297	199,895	-	72,039,107
Charge for the financial year	-	184,969	5,976	108,856	5,852,433	248,558	202,318	46,348	-	6,649,458
Disposals	-	-	-	-	(3,232,198)	(2,389,773)	-	(66,439)	-	(5,688,410)
Written off	-	-	-	-	(607,095)	(29,765)	(9,004)	-	-	(645,864)
At 31 March 2017										
Accumulated depreciation	-	713,750	448,390	931,532	58,948,108	8,922,254	2,141,611	179,804	-	72,285,449
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	713,750	448,390	931,532	59,016,950	8,922,254	2,141,611	179,804	-	72,354,291
Carrying amount										
At 31 March 2017	1,160,542	12,293,420	281,597	2,897,291	18,377,505	198,079	494,206	112,749	80,000	35,895,389

4. Property, Plant and Equipment (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 19 to the financial statements as follows:

	Group	
	2018	**2017**
	RM	**RM**
Leasehold land	5,988,117	5,981,071
Motor vehicles	1,645,926	2,459,729
	7,634,043	8,440,800

(b) Assets held under finance leases

As at 31 March 2018, the net carrying amount of leased motor vehicles of the Group was RM5,370,819 (2017: RM7,049,919).

Leased assets are pledged as security for the related finance lease liabilities.

(c) Assets acquired by means of cash payment

The aggregate additional cost for the property, plant and equipment of the Group during the financial year are as follows:

	Group	
	2018	**2017**
	RM	**RM**
Cost of property, plant and equipment purchased	5,283,815	5,264,325
Less: Finance leases	(2,494,574)	(1,167,945)
Less: Term loans	-	(1,200,000)
Cash payment	2,789,241	2,896,380

(d) Leasehold land and buildings

The remaining lease term of leasehold land and buildings are 43 - 56 years (2017: 44 - 57 years).

5. Investment Properties

	Group	
	2018	**2017**
	RM	**RM**
Cost		
At 1 April	22,634,212	22,634,212
Capital work-in-progress	88,598	-
At 31 March	22,722,810	22,634,212
Accumulated depreciation		
At 1 April	589,500	513,219
Charge for the financial year	76,280	76,281
At 31 March	665,780	589,500
Carrying amounts		
At 31 March	22,057,030	22,044,712
Included in the above are:		
At cost		
Freehold land	19,194,693	19,194,693
Freehold buildings	2,482,959	2,482,959
Commercial properties	956,560	956,560
Capital work-in-progress	88,598	-
	22,722,810	22,634,212
Fair value of investment properties	37,045,233	30,251,000

(a) Investment properties under leases

Investment properties comprise a number of freehold land, freehold buildings and commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from 1 to 2 years. Subsequent renewals are negotiated with the lessee on an average renewal period of 1 years. No contingent rents are charged.

5. Investment Properties (Cont'd)

(b) Fair value information

Fair value of investment properties was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

Description of Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot (RM17 - RM171)	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

There were no transfers between levels during current and previous financial years.

(c) Income and expenses recognised in profit or loss

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

	Group	
	2018	**2017**
	RM	**RM**
Rental income	46,200	66,400
Direct operating expenses:		
- income generating investment properties	(13,029)	(13,666)
- non-income generating investment properties	(117,700)	(76,144)

(d) Highest and best use

The Group's investment properties represent a number of commercial properties that are partially tenanted and three pieces of land. The highest and best use of these properties and land is for rental generation as they are located in the vicinity of the commercial area.

5. Investment Properties (Cont'd)

(e) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to RM14,569,190 (2017: RM14,569,190) have been pledged to secure banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

6. Goodwill on Consolidation

	Group	
	2018	**2017**
	RM	**RM**
Cost		
At 1 April	4,164,929	4,164,929
Less: Impairment loss	(4,164,929)	(4,164,929)
At 31 March	-	-

The goodwill is in respect of the Group's acquisition of subsidiary companies and is stated at cost.

(a) Key sources of estimation uncertainty

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU"). Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purposes.

6. Goodwill on Consolidation (Cont'd)

(b) Impairment testing for cash-generating units containing goodwill

The recoverable amount for these CGUs were based on their value-in-use and were determined by discounting the future cash flows generated from the continuing use of these CGUs and were based on the following key assumptions:

(i) Cash flows for 3 years are projected based on the financial estimates made by the Directors.

(ii) Discount rate used for cash flows discounting purposes are the management's estimate of average cost of capital required in the respective CGU. The discount rate applied for cash flow projections is 8%.

(iii) The financial estimates are projected based on the historical average earnings before interest, taxation, depreciation and amortisation ("EBITDA") rate of 7%.

(iv) Revenue is projected to increase by 2% annually via new logistics contracts from new and existing customers.

With regard to the assessment of value in use and fair value less costs to sell, management believes that no reasonably possible change in any of the above key assumptions that would cause the recoverable amount of CGU to be materially below its carrying amount.

7. Investments in Subsidiary Companies

	Company	
	2018	**2017**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	38,152,773	39,497,818
Less: Accumulated Impairment losses	(7,882,280)	(7,882,280)
	30,270,493	31,615,538

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of Company	Country of incorporation	Effective interest (%) 2018	2017	Principal activities
See Hup Transport (K.L) Sdn. Bhd.	Malaysia	100	100	Transportation services
Jentanian Transport and Forwarding Sdn. Bhd. *	Malaysia	100	100	Transportation services
Butterworth Transport Company Sendirian Berhad *	Malaysia	100	100	Transportation services
See Hup Transport Company Sdn. Berhad	Malaysia	100	100	Transportation services and trading in general merchandise
See Heng Company Sdn. Bhd.	Malaysia	100	100	Hiring of cranes, forklifts, heavy equipment and machinery and trading in general merchandise
Chuan Eng Teik (M) Sdn. Bhd. *	Malaysia	100	100	Hiring of vehicles
Mazs Marketing (M) Sdn. Bhd. ("MMSB") *	Malaysia	76.8	76.8	Bonded truck services and bonded warehousing
Limsa Ekuiti Sdn. Bhd. *	Malaysia	100	100	Investment holding
See Hup Pioneer Logistics Sdn. Bhd. ("SHPL") *	Malaysia	56.5	56.5	Provision of warehousing and forwarding services and investment holding
SH Logistics (M) Sdn. Bhd. ("SHL") *	Malaysia	50.1	50.1	Transportation services
SH Global Freight Sdn. Bhd. ("SHGF") *	Malaysia	83	83	Forwarding/transport services provider
Bentara Dermaga Sdn. Bhd. ("BDSB")	Malaysia	80.3	80.3	Provision of bulk cargo handling services and Hiring of plant/machinery

* Subsidiary companies not audited by UHY

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Country of incorporation	Effective interest (%) 2018	Effective interest (%) 2017	Principal activities
Prosper Power Sdn. Bhd. ("PPSB")	Malaysia	-	54	Provision of bulk cargo handling services
Agriplex (M) Sdn. Bhd. ("AGSB")	Malaysia	70	70	Forwarding services and transport services provider
Mahajaya View Sdn. Bhd.	Malaysia	100	100	Investment holding
Held through Limsa Ekuiti Sdn. Bhd.				
SH Worldwide Logistics Sdn. Bhd. ("SHWL")*	Malaysia	97.9	100	Air freight forwarder and transport services provider
SH Supply Chain Sdn. Bhd. ("SHSC")*	Malaysia	88.8	100	Air freight forwarder and transport services provider
Held through See Hup Pioneer Logistics Sdn. Bhd.				
SH Haulage Sdn. Bhd. ("SHH")	Malaysia	39.6	39.6	Provision of container haulage services

* Subsidiary companies not audited by UHY

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2018	2017	2018	2017	2018	2017
	%	%	RM	RM	RM	RM
MMSB	23.2%	23.2%	(29,175)	(20,208)	182,101	211,277
SHPL	43.5%	43.5%	(141,804)	94,122	1,135,237	1,282,250
SHL	49.9%	49.9%	(22,835)	4,406	1,709,065	1,731,900
SHGF	17.0%	17.0%	64,483	80,403	487,875	418,183
BDSB	19.7%	19.7%	(5,409)	(38,794)	140,649	146,058
PPSB	-	46.0%	14,834	23,205	-	320,024
AGSB	30.0%	30.0%	332,697	284,445	(2,932,607)	(3,265,303)
SHH	60.4%	60.4%	246,620	108,271	129,782	(116,840)
SHWL	2.1%	100%	1,809	-	11,056	-
SHSC	11.2%	100%	(10,100)	-	64,626	-
Total			451,120	535,850	927,784	727,549

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised statements of financial position

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	PPSB RM	AGSB RM	SHH RM	SHWL RM	SHSC RM
2018										
Non-current assets	187,414	5,231,222	2,031,504	902,684	8,904	-	3,681,763	1,247,396	228,975	26,581
Current assets	957,922	2,586,368	2,555,793	3,894,715	1,013,311	-	4,704,861	3,143,709	3,131,129	972,542
Non-current liabilities	(8,552)	(716,000)	(206,405)	(49,695)	-	-	-	(226,877)	(38,770)	-
Current liabilities	(350,280)	(4,491,851)	(955,867)	(1,877,851)	(307,488)	-	(18,161,980)	(3,445,812)	(2,790,573)	(424,674)
Net assets/ (liabilities)	786,504	2,609,739	3,425,025	2,869,853	714,727	-	(9,775,356)	718,416	530,761	574,449
2017										
Non-current assets	338,804	5,437,613	2,549,742	886,539	11,759	1,048	4,676,969	1,821,168	-	-
Current assets	922,090	3,466,700	2,667,325	2,986,833	1,438,213	722,195	3,504,989	2,757,747	-	-
Non-current liabilities	(51,000)	(680,000)	(371,722)	(89,931)	-	-	(19,986)	(221,491)	-	-
Current liabilities	(297,362)	(5,158,672)	(1,361,277)	(1,323,542)	(702,408)	(8,408)	(19,041,115)	(3,963,723)	-	-
Net assets/ (liabilities)	912,532	3,065,641	3,484,068	2,459,899	747,564	714,835	(10,879,143)	393,701	-	-

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

(ii) Summarised statements of profit or loss and other comprehensive income

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	PPSB RM	AGSB RM	SHH RM	SHWL RM	SHSC RM
2018										
Revenue	3,541,525	10,728,241	5,528,205	11,809,539	2,859,947	-	12,475,300	8,740,569	10,804,193	451,018
Profit/(Loss) for the financial year	(126,028)	(337,962)	(45,763)	379,311	(27,487)	-	1,108,987	407,975	86,842	(89,780)
Total comprehensive income/(loss)	(126,028)	(337,962)	(45,763)	379,311	(27,487)	32,247	1,108,987	407,975	86,842	(89,780)
2017										
Revenue	3,220,325	12,801,945	5,218,596	9,661,954	1,778,727	-	12,410,350	7,657,801	-	-
Profit/(Loss) for the financial year	(87,293)	216,373	8,827	503,604	(197,136)	50,447	948,148	179,108	-	-
Total comprehensive income/(loss)	(87,293)	216,373	8,827	503,604	(197,136)	50,447	948,148	179,108	-	-

7. **Investments in Subsidiary Companies (Cont'd)**

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

(iii) Summarised statements of cash flows

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM	SHH RM	SHWL RM	SHSC RM
2018									
Net cash from/ (used in) operating activities	(133,881)	(169,596)	320,587	588,304	(121,504)	1,651,469	858,716	385,749	(92,439)
Net cash from/ (used in) investing activities	(4,699)	(58,152)	211,035	(89,630)	116,000	(301,493)	(229,705)	(115,281)	(29,120)
Net cash from/ (used in) financing activities	742	-	(340,728)	(52,165)	-	(1,087,752)	(714,232)	(47,770)	203,381
Net increase/ (decrease) in cash and cash equivalents	(137,838)	(227,748)	190,894	446,509	(5,504)	262,224	(85,221)	222,698	81,822

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

(iii) Summarised statements of cash flows (Cont'd)

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	PPSB RM	AGSB RM	SHH RM
2017								
Net cash from/ (used in) operating activities	167,786	28,755	375,553	46,793	(31,087)	4,173	882,774	(443,006)
Net cash from/ (used in) investing activities	36,665	(77,960)	(332,730)	(107,537)	29,400	54,752	(271,250)	(115,692)
Net cash from/ (used in) financing activities	(13,989)	-	(248,824)	(44,854)	-	-	(473,377)	825,723
Net increase/ (decrease) in cash and cash equivalents	190,462	(49,205)	(206,001)	(105,598)	(1,687)	58,925	138,147	267,025

7. Investments in Subsidiary Companies (Cont'd)

(b) Disposal of subsidiary company

On 15 August 2017, See Hup Consolidated Berhad disposed of its 54% equity interest in Prosper Power Sdn. Bhd. for a cash consideration of RM378,000, which had resulted a loss of RM19,130. The subsidiary company was previously reported as part of the transportation and logistics services segment.

The effect of the disposal of Prosper Power Sdn. Bhd. on the financial position of the Group as at the date of disposal was as follows:

	RM
Property, plant and equipment	832
Trade and other receivables	31,200
Tax provision	5,164
Cash and cash equivalents	702,006
Trade and other payables	(5,249)
Deferred tax	(6,000)
Net assets	727,953
Less: Non-controlling interests	(334,858)
Total net assets disposed	393,095
Proceeds from disposal	(378,000)
Loss on disposal	15,095
Proceeds from disposal	378,000
Less: Cash and bank balances disposed	(702,006)
Net cash outflows from disposal	(324,006)

There was no disposal in the previous financial year.

(c) Changes in ownership interests in subsidiary companies without change of control

SH Supply Chain Sdn. Bhd.

On 17 July 2017, Limsa Ekuiti Sdn. Bhd., a wholly-owned subsidiary company of the Group, disposed 11.25% equity interest in SH Supply Chain Sdn. Bhd. for RM45,000 in cash, decreasing its ownership from 100% to 88.8%. The carrying amount of SH Supply Chain Sdn. Bhd.'s net assets in the Group's financial statements on the date of disposal was RM664,229. The Group recognised increase in non-controlling interests of RM74,726 and a decrease in retained earnings of RM29,726.

7. Investments in Subsidiary Companies (Cont'd)

(c) Changes in ownership interests in subsidiary companies without change of control (Cont'd)

SH Worldwide Logistics Sdn. Bhd.

On 9 November 2017, Limsa Ekuiti Sdn. Bhd., a wholly-owned subsidiary company of the Group, disposed 2.08% equity interest in SH Worldwide Logistics Sdn. Bhd. for RM10,000 in cash, decreasing its ownership from 100% to 97.9%. The carrying amount of SH Worldwide Logistics Sdn. Bhd.'s net assets in the Group's financial statements on the date of disposal was RM443,919. The Group recognised increase in non-controlling interests of RM9,247 and a increase in retained earnings of RM753.

The effect of acquisition of subsidiary companies did not have any material effect on the financial results and position of the Group.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

8. Investments in Associates

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
At cost				
Unquoted shares in Malaysia	1,565,432	1,565,432	965,432	965,432
Unquoted shares outside Malaysia	1,075,866	1,075,866	-	-
	2,641,298	2,641,298	965,432	965,432
Share of post-acquisition reserves	213,314	306,267	-	-
Balance at end of financial year	2,854,612	2,947,565	965,432	965,432

8. Investments in Associates (Cont'd)

Details of the associates are as follows:

Name of Company	Country of incorporation	Effective interest (%) 2018	2017	Principal activities
Perkapalan Maritime Sdn. Bhd. ("PMSB") # ^	Malaysia	49	49	Forwarding agent services
Tanjung Marine Sdn. Bhd. ("TMSB") # ^	Malaysia	49	49	Forwarding agent services
SH Freight Services Sdn. Bhd. ("SHFS") ## ^	Malaysia	50	50	Forwarding agent services
Held through SH Logistics (M) Sdn. Bhd.				
See Hup Pioneer Logistics (Thailand) Co. Ltd. ("SHPLT") * ^	Thailand	22.8	22.8	Transportation services
Held through SH Global Freight Sdn. Bhd.				
Maruzen SH Logistics Sdn. Bhd. ("MSHL") * ^	Malaysia	33.2	33.2	Forwarding/transport services provider

The associate's financial year end is 31 March.
The associate's financial year end is 30 September.
* The associate's financial year end is 31 December.
^ Associates not audited by UHY

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's material associates are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts.

(a) Summarised statements of financial position

	SHPLT RM	PMSB RM	TMSB RM	SHFS RM	MSHL RM	Total RM
2018						
Current assets	829,351	37,090	394,732	577	82,278	1,344,028
Non-current assets	1,825,336	1,196,263	4,737,546	641,260	1,777,869	10,178,274
Current liabilities	-	-	(171,742)	-	-	(171,742)
Non-currrent liabilities	(2,846,697)	(193,909)	(3,118,362)	(194,560)	(373,360)	(6,726,888)
Net assets/(liabilities)	(192,010)	1,039,444	1,842,174	447,277	1,486,787	4,623,672
Interests in associates	22.8%	49.0%	49.0%	50.0%	33.2%	
Group's share of net assets/(liabilities)	(43,778)	509,328	902,665	223,638	493,613	2,085,466
Reserves	465,586	-	-	-	-	465,586
Goodwill/(negative goodwill)	319,007	(6,354)	(20,755)	11,662	-	303,560
Carrying value of Group's interests in associates	740,815	502,974	881,910	235,300	493,613	2,854,612

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's material associates are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts. (Cont'd)

(a) Summarised statements of financial position (Cont'd)

	SHPLT RM	PMSB RM	TMSB RM	SHFS RM	MSHL RM	Total RM
2017						
Current assets	6,848,379	1,326,508	4,105,256	606,615	1,819,910	14,706,668
Non-current assets	915,147	35,237	184,077	730	125,152	1,260,343
Current liabilities	(7,859,041)	(145,006)	(2,596,685)	(170,407)	(230,131)	(11,001,270)
Non-currrent liabilities	-	(6,000)	(21,000)	-	-	(27,000)
Net assets/(liabilities)	(95,515)	1,210,739	1,671,648	436,938	1,714,931	4,938,741
Interests in associates	22.8%	49.0%	49.0%	50.0%	33.2%	
Group's share of net assets/(liabilities)	(21,777)	593,262	819,108	218,469	569,357	2,178,419
Reserves	465,586	-	-	-	-	465,586
Goodwill/(negative goodwill)	319,007	(6,354)	(20,755)	11,662	-	303,560
Carrying value of Group's interests in associates	762,816	586,908	798,353	230,131	569,357	2,947,565

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's material associates are set out below. The summarised financial information represents the amounts in the MFRS financial statements of the associates and not the Group's share of those amounts. (Cont'd)

(b) Summarised statements of profit or loss and other comprehensive income

	SHPLT RM	PMSB RM	TMSB RM	SHFS RM	MSHL RM	Total RM
2018						
Profit/(loss) for the financial year/ Total comprehensive income/(expense)	(294,122)	(173,295)	170,526	13,078	1,884	(281,929)
Included in the total comprehensive income is:						
Revenue	6,009,743	638,540	7,964,774	198,884	586,059	15,398,000
2017						
Profit/(loss) for the financial year/ Total comprehensive income/(expense)	216,560	96,249	(21,566)	49,596	(2,704)	338,135
Included in the total comprehensive income is:						
Revenue	7,658,945	649,103	7,736,429	172,285	1,460,865	17,677,627

9. Other Investments

	Unquoted shares in Malaysia RM	Quoted shares in Malaysia RM	Total RM
Group			
2018			
Non-current			
Available-for-sale financial assets	220,885	-	220,885
Less: Accumulated Impairment losses	(66,403)	-	(66,403)
	154,482	-	154,482
Representing items:			
At cost less impairment loss	154,482	-	154,482
2017			
Non-current			
Available-for-sale financial assets	232,885	12,195	245,080
Less: Accumulated Impairment losses	(66,403)	-	(66,403)
	166,482	12,195	178,677
Representing items:			
At cost less impairment loss	166,482	-	166,482
At fair value	-	12,195	12,195
	166,482	12,195	178,677
Market value of quoted investment		12,195	12,195

9. Other Investments (Cont'd)

Company	Unquoted shares in Malaysia RM	Total RM
2018		
Non-current		
Available-for-sale financial assets	167,685	167,685
Less: Accumulated Impairment losses	(66,403)	(66,403)
	101,282	101,282
Representing items:		
At cost less impairment loss	101,282	101,282
2017		
Non-current		
Available-for-sale financial assets	167,685	167,685
Less: Accumulated Impairment losses	(66,403)	(66,403)
	101,282	101,282
Representing items:		
At cost less impairment loss	101,282	101,282

10. Deferred Tax Assets/(Liabilities)

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Deferred tax assets				
At 1 April	52,987	101,500	52,987	101,500
Equity component of ICULS	(52,987)	(48,513)	(52,987)	(48,513)
At 31 March	-	52,987	-	52,987

10. Deferred Tax Assets/(Liabilities) (Cont'd)

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Deferred tax liabilities				
At 1 April	2,105,266	2,240,866	-	-
Recognised in profit or loss	(291,403)	29,920	-	-
Over provision in prior years	48,624	(165,520)	-	-
At 31 March	1,862,487	2,105,266	-	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Deferred tax assets	(1,119,123)	(1,721,898)	-	(52,987)
Deferred tax liabilities	2,981,610	3,774,177	-	-
	1,862,487	2,052,279	-	(52,987)

The components and movements of deferred tax assets and liabilities are as follows:

Group	ICULS RM	Unabsorbed capital allowance RM	Unutilised tax losses RM	Total RM
Deferred tax assets				
At 1 April 2016	(101,500)	(1,688,920)	(163,000)	(1,953,420)
Recognised in profit or loss	48,513	460,913	190,863	700,289
Under provision in prior years	-	(156,234)	(312,533)	(468,767)
At 31 March 2017	(52,987)	(1,384,241)	(284,670)	(1,721,898)
Recognised in profit or loss	52,987	915,963	(436,742)	532,208
Over provision in prior years	-	11,579	58,988	70,567
At 31 March 2018	-	(456,699)	(662,424)	(1,119,123)

10. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows: (Cont'd)

Group	**Accelerated capital allowance RM**
Deferred tax liabilities	
At 1 April 2016	4,092,786
Recognised in profit or loss	(621,856)
Under provision in prior years	303,247
At 31 March 2017	3,774,177
Recognised in profit or loss	(770,624)
Over provision in prior years	(21,943)
At 31 March 2018	2,981,610

Company	**ICULS RM**	**Total RM**
Deferred tax assets		
At 1 April 2016	(101,500)	(101,500)
Recognised in profit or loss	48,513	48,513
At 31 March 2017	(52,987)	(52,987)
Recognised in profit or loss	52,987	52,987
At 31 March 2018	-	-

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

	Group		**Company**	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Unutilised tax losses	12,150,814	13,988,238	-	-
Unabsorbed capital allowances	371,543	1,238,188	-	-
	12,522,357	15,226,426	-	-

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

11. Inventories

	Group 2018 RM	Group 2017 RM
Trading inventories	12,225	-
Spare parts and consumables	124,473	39,980
	136,698	39,980
Recognised in profit or loss:		
Inventories recognised as cost of sales	4,519,200	9,204,794

12. Trade Receivables

	Group 2018 RM	Group 2017 RM
Trade receivables	22,157,445	22,229,845
Amount due from associates	2,575,675	2,598,169
Amount due from shareholder of a subsidiary company	16,207	52,241
Companies in which certain Directors have substantial financial interests	1,711,893	438,296
	26,461,220	25,318,551
Less : Accumulated impairment losses	(2,275,825)	(2,468,402)
	24,185,395	22,850,149

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2017: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from associates, shareholder of a subsidiary company and companies in which certain Directors have substantial financial interests are unsecured, non-interest bearing and repayable on demand.

Included in amount due from associates is an unsecured amount of RM1,006,188 (2017: RM1,089,957) which bear interest at 2% (2017: 2%) per annum and repayable on demand.

12. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group	
	2018	2017
	RM	RM
At 1 April	2,468,402	2,758,667
Impairment losses recognised	314,331	248,534
Amount written off	(158,197)	(14,809)
Impairment losses reversed	(284,072)	(523,990)
Disposal of subsidiary company	(64,639)	-
At 31 March	2,275,825	2,468,402

Analysis of the trade receivables ageing as at the end of the financial year is as follow:

	Group	
	2018	2017
	RM	RM
Neither past due nor impaired	12,712,654	10,459,766
Past due but not impaired:		
Less than 30 days	5,376,029	5,658,508
31 to 60 days	2,829,271	3,058,217
61 to 90 days	880,265	1,438,314
Past due more than 90 days	2,387,176	2,235,344
Total past due but not impaired	11,472,741	12,390,383
	24,185,395	22,850,149
Impaired	2,275,825	2,468,402
	26,461,220	25,318,551

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2018, trade receivables of RM11,472,741 (2017: RM12,390,383) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM2,275,825 (2017: RM2,468,402), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

13. Other Receivables

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Amount due from associates	157,033	105,085	14,960	13,479
Other receivables	8,795,162	390,860	8,233,884	-
Prepayments	1,734,296	1,184,449	4,245	5,305
Deposits	655,176	546,139	-	-
	11,341,667	2,226,533	8,253,089	18,784

Amount due from associates with non-interest bearing are unsecured and repayable on demand.

14. Amount due from Subsidiary Companies

	Company	
	2018	**2017**
	RM	**RM**
Non-trade related		
Interest bearing	37,647,816	15,187,784
Non-interest bearing	11,255,506	10,881,297
	48,903,322	26,069,081

Amount due from subsidiary companies are unsecured, bear interest at 2.5% (2017: 2.5% to 6.8%) per annum and repayable on demand.

Amount due from subsidiary companies with non-interest bearing are unsecured and repayable on demand.

15. Deposits, Cash and Bank Balances

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short-term deposits with licensed banks	20,283,932	5,423,270	-	-
Cash and bank balances	6,635,423	4,043,981	2,227,053	29,345
	26,919,355	9,467,251	2,227,053	29,345

The effective interest rates and maturities of short-term deposits of the Group as at the end of the reporting period range from 3.65% - 4.10% (2017: 3.15% - 4.10%) per annum and 1 month (2017: 1 month to 9 months) respectively.

16. Share Capital

	Group and Company			
	Number of shares		Amount	
	2018	2017	2018	2017
	Units	Units	RM	RM
Ordinary shares issued and fully paid:				
At 1 April	52,258,065	52,258,065	54,084,998	52,258,065
Discount on shares *	-	-	(3,589,156)	(3,589,156)
Conversion of ICULS	10,097,312	-	9,362,220	-
Warrants exercised	18,070,924	-	21,251,407	-
Transition to no-par value regime #	-	-	-	1,826,933
At 31 March	80,426,301	52,258,065	81,109,469	50,495,842

* The discount on shares represents fair value allocated to the detachable warrants issued in conjunction with the Rights Issue of new ordinary shares of RM1.00 each during the financial year ended 31 March 2013.

16. Share Capital (Cont'd)

The new Companies Act, 2016 in Malaysia (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,826,933 for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

During the financial year, the Company issued:

(a) 18,070,924 new ordinary shares from the exercise of warrants at the exercise price of RM1.00 per warrant in accordance with the Deed Poll dated 26 December 2012; and

(b) 10,097,312 new ordinary shares at RM9,362,220 arising from the conversion of 50,970,925 of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM0.10 nominal value each at the conversion price of RM1.00 per new ordinary shares.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

17. Reserves

		Group		Company	
		2018	2017	2018	2017
	Note	RM	RM	RM	RM
Non-distributable					
Share premium	(a)	-	1,826,933	-	1,826,933
Transition to no-par value regime	(a)	-	(1,826,933)	-	(1,826,933)
		-	-	-	-
Equity component of ICULS		-	4,360,844	-	4,360,844
Warrants reserve	(b)	-	3,589,156	-	3,589,156
Fair value reserve	(c)	-	(9,205)	-	-
		-	7,940,795	-	7,950,000
Distributable					
Retained earnings	(d)	7,326,703	8,262,740	392,946	491,036
		7,326,703	16,203,535	392,946	8,441,036

The nature of reserves of the Group and of the Company are as follows:

(a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

The new Companies Act, 2016 in Malaysia (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,826,933 for purposes as set out in Sections 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(b) Warrants reserve

Warrants reserve represent reserve allocate to free detachable warrants issued with rights issue.

17. Reserves (Cont'd)

The nature of reserves of the Group and of the Company are as follows: (Cont'd)

(b) Warrants reserve (Cont'd)

Movement in the Warrants since the listing and quotation thereof are as follows:

	Group and Company	
	2018	2017
	RM	RM
At 1 April	3,589,156	3,589,156
Exercised during the financial year	(3,180,483)	-
Lapsed	(408,673)	-
At 31 March	-	3,589,156

Each warrant entitles the registered holder to subscribe for one new ordinary share in the Company at any time on or after 26 December 2012 up to the date of expiry on 22 December 2017 at an exercise of RM1 per share or such adjusted price in accordance with the provisions in the Deed Poll.

The Warrants expired on 22 December 2017. 18,070,924 Warrants issued together with Rights Issue on December 2017 and January 2018 on the basis of two (2) Warrant for every one (1) Right Shares subscribed and two (2) warrants for every one (1) Placement Share subscribed, have been successfully converted into ordinary shares.

Any warrant not exercised during the exercise period will lapse and thereafter cease to be valid for any purpose.

(c) Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of available-for-sale financial assets until they are derecognised or impaired.

(d) Retained earnings

The entire retained earnings of the Company is available for distribution as single-tier dividends.

18. Treasury Shares

The shareholder of the Company, by a resolution passed in the previous Annual General Meeting held on 19 September 2014, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

18. Treasury Shares (Cont'd)

Group and Company

	2018 Number of ordinary shares	Amount RM	2017 Number of ordinary shares	Amount RM
At 1 April	373,000	372,200	364,000	363,020
Own shares acquired	-	-	9,000	9,180
At 31 March	373,000	372,200	373,000	372,200

No repurchase of treasury shares during the financial year. As at the end of the reporting period, 373,000 shares (2017: 373,000 shares) remain unchanged.

19. Loans and Borrowings

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Secured					
Term loans	(a)	9,761,854	7,851,834	4,000,000	-
Finance lease liabilities	(b)	3,346,514	3,048,483	-	-
		13,108,368	10,900,317	4,000,000	-
Unsecured					
Bank overdrafts	(a)	3,444,249	318,818	3,373,357	-
Revolving credits	(a)	-	3,050,000	-	-
Bankers acceptance	(a)	793,000	737,000	-	-
Liability component of ICULS	(c)	-	220,778	-	220,778
		17,345,617	15,226,913	7,373,357	220,778

19. Loans and Borrowings (Cont'd)

		Group		Company	
		2018	**2017**	**2018**	**2017**
	Note	**RM**	**RM**	**RM**	**RM**
Non-current					
Term loans	(a)	7,207,171	5,774,300	3,172,642	-
Finance lease liabilities	(b)	1,851,153	1,043,327	-	-
		9,058,324	6,817,627	3,172,642	-
Current					
Term loans	(a)	2,554,683	2,077,534	827,358	-
Bankers acceptance	(a)	793,000	737,000	-	-
Bank overdrafts	(a)	3,444,249	318,818	3,373,357	-
Revolving credits	(a)	-	3,050,000	-	-
Finance lease liabilities	(b)	1,495,361	2,005,156	-	-
Liability component of ICULS	(c)	-	220,778	-	220,778
		8,287,293	8,409,286	4,200,715	220,778
		17,345,617	15,226,913	7,373,357	220,778

(a) Bank borrowings

The term loans are secured by the followings:

(i) First party legal charge over the leasehold land and investment properties of the subsidiary companies as disclosed in Notes 4 and 5 to the financial statements;

(ii) Facilities agreements as principal instrument;

(iii) Certain motor vehicles of the Group as disclosed in Note 4 to the financial statements; and

(iv) Corporate guarantee by the Company and its subsidiary company.

The bankers acceptance, bank overdrafts and revolving credits are covered by the corporate guarantee of the Company and its subsidiary company.

19. Loans and Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	%	**%**	**%**	**%**
Term loans	5.20 - 8.45	4.90 - 8.35	-	-
Bankers acceptance	4.21 - 5.11	3.83 - 4.84	-	-
Bank overdrafts	4.94 - 7.45	4.94 - 8.35	-	-
Revolving credits	4.39 - 4.95	4.39 - 4.95	-	-
Finance lease liabilities	3.03 - 7.24	3.03 - 7.24	-	-
Liability component of ICULS	-	4.60	-	4.60

(b) Finance lease liabilities

	Group	
	2018	**2017**
	RM	**RM**
Minimum lease payments:		
Within one year	1,652,601	2,128,082
Later than one year and not later than two years	1,261,624	783,815
Later than two year and not later than five years	683,768	304,083
	3,597,993	3,215,980
Less : Future finance charges	(251,479)	(167,497)
Present value of minimum lease payments	3,346,514	3,048,483
Present value of minimum lease payments:		
Within one year	1,495,361	2,005,156
Later than one year and not later than two years	1,185,114	747,080
Later than two year and not later than five years	666,039	296,247
	3,346,514	3,048,483

The Group leases motor vehicles under finance lease (Note 4). At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

19. Loans and Borrowings (Cont'd)

(c) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

On 26 December 2012, the Company issued RM5,107,093 nominal value of 5-year, 4.6% ICULS at 100% of its nominal value for working capital purposes and to partially repay the Group's bank borrowings.

The main features of the ICULS are as follows:

(i) The ICULS were issued in multiples of RM0.10 and constituted by a Trust Deed dated 12 November 2012 made between the Company and the Trustee for the holders of the ICULS;

(ii) The ICULS are convertible into new ordinary shares of RM1.00 each in the Company at any time from the date of issue of the ICULS until the maturity date on 28 November 2017 on the basis of ten (10) ICULS of RM0.10 nominal value each or the sum of RM1.00 comprising a combination ICULS and cash for 1 new ordinary share of RM1.00 each of the Company;

(iii) Upon conversion of the ICULS into new ordinary shares, such shares shall rank pari passu in all respects, without priority amongst the respective holders and with all other present and future unsecured and unsubordinated obligations of the Company from time to time outstanding but shall be subordinated to all other obligations and liabilities of the Company which are preferred solely by the laws of Malaysia; and

(iv) The interest on the ICULS at the rate of 4.6% per annum is payable semi-annually in arrears.

The residual value, after deducting the liability component from the fair value of the instrument a whole, is attributed to the equity component as follows:

	Equity component of ICULS RM	**Liability component of ICULS RM**	**Total RM**
At 1 April 2016	4,360,844	427,580	4,788,424
Interest expense (Note 24)	-	28,307	28,307
Interest paid	-	(235,109)	(235,109)
At 31 March 2017	4,360,844	220,778	4,581,622
Interest expense (Note 24)	-	14,706	14,706
Interest paid	-	(235,484)	(235,484)
Conversion of ICULS	(4,360,844)	-	(4,360,844)
At 31 March 2018	-	-	-

19. Loans and Borrowings (Cont'd)

(c) Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (Cont'd)

Interest expense on the ICULS is calculated on the effective yield basis by applying a coupon interest rate of 6.2% which is assumed to be equivalent to the prevailing market interest rate for convertible loan stocks at the date of issue.

The Company's ICULS has expired on 22 December 2017.

20. Trade Payables

	Group	
	2018	**2017**
	RM	**RM**
Trade payables	6,593,984	6,083,530
Amount due to associates	889,168	1,769,522
Amount due to shareholder of a subsidiary company	126,577	180,364
Amount due to related parties	595,858	537,408
	8,205,587	8,570,824

Credit terms of trade payables of the Group ranged from 30 to 90 days (2017: 30 to 90 days) depending on the terms of the contracts. Other credit terms are assessed and approved on a case by case basis.

Amount due to associates, shareholder of a subsidiary company and related parties are unsecured, non-interest bearing and repayable on demand.

21. Other Payables

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Other payables	2,688,711	525,384	2,161,589	-
Amount due to associates	45,889	-		
Shareholders of a subsidiary company	100,000	100,000	-	-
Amount due to related parties	200,000	200,000	-	-
Deposits	43,055	36,323	-	-
Accruals	2,953,621	2,403,035	69,000	69,000
	6,031,276	3,264,742	2,230,589	69,000

Amount due to associates, shareholders of a subsidiary company and related parties are unsecured, non-interest bearing and repayable on demand.

22. Revenue

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Dividend income	-	-	1,440,000	-
Sale of goods	5,065,092	6,790,568	-	-
Rental income from warehousing services	1,631,562	1,350,690	-	-
Freight and forwarding services	87,147,808	79,728,429	-	-
	93,844,462	87,869,687	1,440,000	-

23. Staff Costs

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Salaries, wages and other emoluments	20,461,549	18,604,044	74,000	65,000
Social contributions plan	326,950	278,462	-	-
Defined contribution plans	1,993,306	1,917,895	-	-
	22,781,805	20,800,401	74,000	65,000

23. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Existing Directors of the Company				
Salaries, wages and other emoluments	964,500	911,000	-	-
Social contributions plan	3,840	3,640	-	-
Fees				
- current year	101,500	101,500	24,000	24,000
- over provision for prior years	-	(15,000)	-	(6,000)
Bonus	184,250	143,000	-	-
Defined contribution plans	186,831	168,800	-	-
	1,440,921	1,312,940	24,000	18,000
Estimated value of benefits-in-kind	50,150	50,150	-	-
	1,491,071	1,363,090	24,000	18,000
Existing Directors of the subsidiary companies				
Salaries, wages and other emoluments	1,844,138	1,600,885	-	-
Social contributions plan	7,841	3,000	-	-
Fees	159,000	165,000	-	-
Bonus	284,965	233,500	-	-
Defined contribution plans	327,349	284,890	-	-
	2,623,293	2,287,275	-	-
Estimated value of benefits-in-kind	73,600	79,526	-	-
	2,696,893	2,366,801	-	-

24. Finance Costs

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Bankers acceptance	37,672	36,937	-	-
Bank overdrafts	13,048	16,024	-	-
Finance lease liabilities	154,710	210,815	-	-
Term loans	356,814	444,441	-	-
Revolving credits	91,840	94,978	-	-
ICULS (Note 19)	14,706	28,307	14,706	28,307
Others	8,968	5,078	-	-
	677,758	836,580	14,706	28,307

25. Profit Before Tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Auditors' remuneration				
- Statutory audits				
- current year	87,040	90,000	20,000	20,000
- Over provision in prior years	-	(4,000)	-	-
- Other auditors				
- current year	43,540	48,000	-	-
- Under provision in prior years	-	830	-	-
- Non-audit services	5,000	5,000	5,000	5,000
Bad debts recovered	-	(38,380)	-	-
Depreciation				
- property, plant and equipment	6,393,133	6,649,458	-	-
- investment properties	76,280	76,281	-	-
Dividend income	(225)	(1,194)	(1,440,000)	-

25. Profit Before Tax (Cont'd)

Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Gain on disposal of:				
- property, plant and equipment	(1,160,261)	(406,640)	-	-
- other investments	(25,777)	-		
Loss/(Gain) on foreign exchange				
- realised	9,710	(76,782)	-	-
- unrealised	45,062	(190,970)	-	-
Hire of plant, equipment and vehicles	12,781,434	11,389,976	-	-
Impairment losses on trade receivables	314,331	248,534	-	-
Interest income	(556,974)	(392,893)	(527,957)	(552,181)
Loss on disposal of subsidiary company	15,095	-	19,130	-
Management fee income	166,500	176,500	-	-
Non-executive Directors' remunerations				
- fees	20,000	20,000	20,000	20,000
- other emoluments	30,000	27,000	30,000	27,000
Property, plant and equipment written off	38	27,558	-	-
Rental income	(70,620)	(80,788)	-	-
Rental expenses	1,611,693	1,497,871	-	-
Reversal of impairment losses on trade receivables	(284,072)	(523,990)	-	-

26. Taxation

	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Tax expenses recognised in profit or loss				
Current tax				
- Current year	727,253	435,205	25,000	39,000
- Under/(Over) provision in prior years	(4,168)	61,380	878	23,210
	723,085	496,585	25,878	62,210
Deferred tax				
- Origination and reversal of temporary differences	(238,416)	78,433	52,987	48,513
- Over provision in prior years	48,624	(165,520)	-	-
	(189,792)	(87,087)	52,987	48,513
	533,293	409,498	78,865	110,723

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

Effective year of assessment 2017, tax rate for Malaysian resident Companies have been given a reduction in the income tax rate ranging from 0% to 4% on the incremental chargeable income compared to the immediate preceding year of assessment, based on the percentage of increase in chargeable income.

26. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Profit before tax	1,830,115	88,853	1,733,541	359,434
At Malaysia statutory tax rate of 24% (2017: 24%)	439,228	21,325	416,050	86,264
Expenses not deductible for tax purposes	674,872	(1,245,313)	(45,450)	(47,264)
Income not subject to tax	(29,273)	(95,000)	(345,600)	-
Effect of deferred tax assets previously not recognised	(648,977)	1,784,113	-	-
Others	52,987	48,513	52,987	48,513
	488,837	513,638	77,987	87,513
(Over)/Under provision in prior years	44,456	(104,140)	878	23,210
	533,293	409,498	78,865	110,723

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM14,910,00 (2017: RM15,174,000) and RM2,274,000 (2017: RM6,950,000) respectively available for carried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

27. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Company arising from financing activities, including both cash and non-cash changes:

	At 1.4.2017 RM	Financing cash flows RM	At 31.3.2018 RM
Term loans	7,851,834	1,910,020	9,761,854
Finance lease liabilities	3,048,483	298,031	3,346,514
Bank overdrafts	318,818	3,125,431	3,444,249
Revolving credits	3,050,000	(3,050,000)	-
Bankers acceptance	737,000	56,000	793,000
Liability component of ICULS	220,778	(220,778)	-
	15,226,913	2,118,704	17,345,617

28. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group 2018 RM	2017 RM
Profit/(Loss) attributable to owners of the parent	845,702	(856,495)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 April	52,258,065	52,258,065
Effect of ordinary shares issued during the financial year	6,868,618	-
Effect of treasury shares held	-	(5,104)
Weighted average number of ordinary shares at 31 March	59,126,683	52,252,961
Basic earnings/(loss) per ordinary shares (in sen)	1.43	(1.64)

28. Earnings/(Loss) per Share (Cont'd)

(b) Diluted earnings per share

The Group has no dilution in their earnings per ordinary share as the exercise price of the warrants has exceeded the average market price of ordinary shares during the financial year, the options do not have any dilutive effect on the weighted average number of ordinary shares.

29. Dividends

	Group and Company	
	2018	**2017**
	RM	**RM**
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividends paid and payable in respect of the financial year ended:		
- 31 March 2017 (single-tier dividend of RM0.027 per ordinary share)	-	1,400,897
- 31 March 2018 (single-tier dividend of RM0.027 per ordinary share)	2,161,439	-

The Directors does not recommend the payment of a final dividend for the current financial year.

30. Commitments

Operating lease commitments - as lessee

The future minimum lease payments payable under non-cancellable operating leases are:

	Group	
	2018	**2017**
	RM	**RM**
Within one year	279,395	352,110
Later than one year but not later than two years	53,200	275,295
Later than two years but not later than five years	-	34,400
	332,595	661,805

30. Commitments (Cont'd)

	Group 2018 RM	Group 2017 RM
Capital expenditure		
Authorised and contract for:		
- Property, plant and equipment	1,345,732	-

31. Contingencies

	Company 2018 RM	Company 2017 RM
Contingent liabilities		
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to certain subsidiary companies	11,621,582	11,614,645

The Company has also undertaken to provide continuing financial support to certain subsidiary companies to enable them to meet their financial obligations as and when they fall due.

32. Related Party Disclosures

(a) Identifying related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

32. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
(i) Transactions with subsidiary companies				
- Interest receivable	-	-	527,957	552,181
- Dividend income receivable	-	-	1,440,000	-
(ii) Transactions with associates				
- Transportation and forwarding charges payable	3,639,632	4,373,429	-	-
- Transportation and forwarding charges receivable	3,603,080	3,704,524	-	-
- Freight and forwarding charges receivable	1,531,837	-	-	-
- Hiring of heavy vehicles receivable	2,715	8,860	-	-
- Hiring of heavy vehicles payable	3,940	9,079	-	-
- Maintenance of building	1,483	2,570	-	-
- Rental receivable	52,200	52,200	-	-
- Rental payable	3,600	3,600	-	-
- Software income receivable	11,072	22,004	-	-
- Interest receivable	17,832	17,832	-	-
- Management fee receivable	166,500	176,500	-	-
- Warehouse income receivable	1,020	58,523	-	-

32. Related Party Disclosures (Cont'd)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
(iii) Transactions with companies in which certain Directors of the Company have substantial financial interest				
- Transportation and forwarding charges receivable	3,234	6,330	-	-
- Transportation and forwarding charges payable	35,049	365,603	-	-
- Warehouse and crane charges receivable	2,186,974	3,325,991	-	-
(iv) Transactions with shareholders of certain subsidiary companies				
- Transportation and forwarding charges receivable	120,893	169,248	-	-
- Transportation and forwarding charges payable	1,394,128	1,527,786	-	-
- Hiring of heavy vehicles receivable	-	4,105	-	-
- Hiring of heavy vehicles payable	-	27,690	-	-

32. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Notes 23 and 25.

33. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Transportation and logistics services	General cargo transporter, freight forwarding agent, hiring of cranes, forklifts, heavy equipment and machinery, servicing and maintenance of heavy vehicles and forklifts and provision of bonded warehouse and bonded trucks services, container haulage and bulk cargo handling services.
Trading	General merchandise.
Others	Investment holding and letting of property and subcontracting of pre-casting works.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment liabilities is neither included in the internal management reports nor provided regularly to the management. Hence, no disclosure is made on segment liabilities.

33. **Segment Information (Cont'd)**

	Transportation and logistic services RM	Trading RM	Others RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2018						
Revenue						
External sales	87,894,549	5,514,441	435,472	93,844,462	-	93,844,462
Inter-segment sales	14,113,368	253,914	1,477,146	15,844,428	(15,844,428)	-
Total revenue	102,007,917	5,768,355	1,912,618	109,688,890	(15,844,428)	93,844,462
Results						
Interest income	651,400	117,050	528,651	1,297,101	(740,127)	556,974
Finance costs	(1,022,090)	(168,294)	(234,754)	(1,425,138)	747,380	(677,758)
Dividend income	(225)	-	(1,440,000)	(1,440,225)	1,440,000	(225)
Depreciation	6,129,546	205,541	134,326	6,469,413	-	6,469,413
Other non-cash items	(733,970)	(367,525)	526	(1,100,969)	-	(1,100,969)
Share of results of associates	-	-	-	-	(92,953)	(92,953)
Segment profit	1,085,615	(318,288)	2,881,093	3,648,420	(1,818,305)	1,830,115
Income tax expense	(394,875)	(51,021)	(87,397)	(533,293)	-	(533,293)
Segment assets	118,856,152	4,687,839	112,183,037	235,727,028	(113,290,305)	122,436,723
Included in the measurement of segment assets are:						
Capital expenditure	5,254,695	-	117,718	5,372,413	-	5,372,413
Investment in associates	1,675,866	-	965,432	2,641,298	213,314	2,854,612

33. Segment Information (Cont'd)

	Transportation and logistic services RM	Trading RM	Others RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2017						
Revenue						
External sales	81,177,124	6,670,963	21,600	87,869,687	-	87,869,687
Inter-segment sales	14,209,234	293,527	-	14,502,761	(14,502,761)	-
Total revenue	95,386,358	6,964,490	21,600	102,372,448	(14,502,761)	87,869,687
Results						
Interest income	517,136	37,117	552,779	1,107,032	(714,139)	392,893
Finance costs	(1,095,669)	(150,210)	(304,840)	(1,550,719)	714,139	(836,580)
Dividend income	(1,194)	-	-	(1,194)	-	(1,194)
Depreciation	6,362,812	230,870	132,057	6,725,739	-	6,725,739
Other non-cash items	(474,256)	(486,414)	-	(960,670)	-	(960,670)
Share of results of associates	-	-	-	-	62,380	62,380
Segment profit	618,544	82,650	161,859	863,053	(774,200)	88,853
Income tax expense	(273,575)	(34,800)	(101,123)	(409,498)	-	(409,498)
Segment assets	71,044,340	4,135,463	20,523,440	95,703,243	569,246	96,272,489
Included in the measurement of segment assets are:						
Capital expenditure	5,182,188	82,137	-	5,264,325	-	5,264,325
Investment in associates	1,675,866	-	965,432	2,641,298	306,267	2,947,565

33. Segment Information (Cont'd)

Adjustments and eliminations

Interest income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment and investment properties including assets from the acquisition of subsidiary companies.

Inter-segment revenues and balances are eliminated on consolidation.

(a) The following items are added to/(deducted from) segment profit to arrive at "profit/(loss) before tax" presented in the statements of comprehensive income:

	2018 RM	2017 RM
Share of profit of associates	(92,953)	62,380
Finance costs	(677,758)	(836,580)
	(770,711)	(774,200)

(b) Other material non-cash items consist of the following items as presented in the respective notes to the financial statements:

	2018 RM	2017 RM
Bad debts recovered	-	(38,380)
Gain on disposal of:		
- property, plant and equipment	(1,160,261)	(406,640)
- other investments	(25,777)	-
Impairment loss on trade receivables	314,331	248,534
Realised gain on foreign exchange	9,710	(76,782)
Reversal of impairment loss on trade receivables	(284,072)	(523,990)
Unrealised loss/(gain) on foreign exchange	45,062	(190,970)
Written off of property, plant and equipment	38	27,558
	(1,100,969)	(960,670)

33. Segment Information (Cont'd)

Adjustments and eliminations (Cont'd)

(c) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the statements of financial position:

	2018 RM	2017 RM
Tax recoverable	560,926	569,246

Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customer

No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

34. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

34. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group Financial assets 2018	Loans and receivables RM	Available-for-sale RM	Financial liabilities measured at amortised cost RM	Total RM
Other investments	-	154,482	-	154,482
Trade receivables	24,185,395	-	-	24,185,395
Other receivables	9,607,371	-	-	9,607,371
Deposits, cash and bank balances	26,919,355	-	-	26,919,355
	60,712,121	154,482	-	60,866,603
2017				
Other investments	-	178,677	-	178,677
Trade receivables	22,850,149	-	-	22,850,149
Other receivables	1,042,084	-	-	1,042,084
Deposits, cash and bank balances	9,467,251	-	-	9,467,251
	33,359,484	178,677	-	33,538,161
Financial liabilities				
2018				
Loans and borrowings	-	-	17,345,617	17,345,617
Trade payables	-	-	8,205,587	8,205,587
Other payables	-	-	6,031,276	6,031,276
	-	-	31,582,480	31,582,480
2017				
Loans and borrowings	-	-	15,226,913	15,226,913
Trade payables	-	-	8,570,824	8,570,824
Other payables	-	-	3,264,742	3,264,742
	-	-	27,062,479	27,062,479

34. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Loans and receivables RM	Available-for-sale RM	Financial liabilities measured at amortised cost RM	Total RM
Company				
Financial assets				
2018				
Other investments	-	101,282	-	101,282
Other receivables	8,248,844	-	-	8,248,844
Amount due from subsidiary companies	48,903,322	-	-	48,903,322
Cash and bank balances	2,227,053	-	-	2,227,053
	59,379,219	101,282	-	59,480,501
2017				
Other investments	-	101,282	-	101,282
Other receivables	13,479	-	-	13,479
Amount due from subsidiary companies	26,069,081	-	-	26,069,081
Cash and bank balances	29,345	-	-	29,345
	26,111,905	101,282	-	26,213,187
Financial liabilities				
2018				
Other payables	-	-	2,230,589	2,230,589
Loans and borrowings	-	-	7,373,357	7,373,357
	-	-	9,603,946	9,603,946
2017				
Other payables	-	-	69,000	69,000
Loans and borrowings	-	-	220,778	220,778
	-	-	289,778	289,778

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are avaliable for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. 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.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM11,621,582 (2017: RM11,614,645), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers other than amounts due from a customer totaling RM2,113,115 (2017: RM1,327,000) which represent 6% (2017: 6%) of total trade receivables of the Group. The Company has no significant concentration of credit risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. 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 funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group 2018	**On demand or within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
<u>Non-derivative financial liabilities</u>					
Trade and other payables	14,236,863	-	-	14,236,863	14,236,863
Term loans	2,828,443	2,794,421	5,454,398	11,077,262	9,761,854
Bankers acceptance	793,000	-	-	793,000	793,000
Bank overdrafts	3,444,249	-	-	3,444,249	3,444,249
Finance lease liabilities	1,652,601	1,261,624	683,768	3,597,993	3,346,514
	22,955,156	4,056,045	6,138,166	33,149,367	31,582,480

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Group 2017	**On demand or within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
Non-derivative financial liabilities					
Trade and other payables	11,835,566	-	-	11,835,566	11,835,566
Term loans	2,461,762	1,973,114	4,234,245	8,669,121	7,851,834
Bankers acceptance	737,000	-	-	737,000	737,000
Bank overdrafts	318,818	-	-	318,818	318,818
Revolving credits	3,050,000	-	-	3,050,000	3,050,000
Finance lease liabilities	2,128,132	783,815	304,083	3,216,030	3,048,483
Liability component of ICULS	220,778	-	-	220,778	220,778
	20,752,056	2,756,929	4,538,328	28,047,313	27,062,479

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

Company **2018**	**On demand or within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
Non-derivative financial liabilities					
Trade and other payables	2,230,589	-	-	2,230,589	2,230,589
Term loans	827,358	886,727	3,060,545	4,774,630	4,000,000
Bank overdrafts	3,373,357	-	-	3,373,357	3,373,357
Financial guarantee	11,621,582	-	-	11,621,582	-
	18,052,886	886,727	3,060,545	22,000,158	9,603,946
2017					
Non-derivative financial liabilities					
Trade and other payables	69,000	-	-	69,000	69,000
Liability component of ICULS	220,778	-	-	220,778	220,778
Financial guarantee	11,614,645	-	-	11,614,645	-
	11,904,423	-	-	11,904,423	289,778

Financial guarantee liabilities have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities in remote.

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar (USD) and Thai Baht (THB).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in		
	USD	**THB**	**Total**
Group	**RM**	**RM**	**RM**
2018			
Trade receivables	422,842	1,237,651	1,660,493
Cash and bank balances	9,736	-	9,736
Trade payables	(26,250)	(67,516)	(93,766)
	406,328	1,170,135	1,576,463
2017			
Trade receivables	537,770	1,058,296	1,596,066
Cash and bank balances	49,520	-	49,520
Trade payables	(190,149)	(334,354)	(524,503)
	397,141	723,942	1,121,083

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and THB exchange rates against RM, with all other variables held constant.

Group	Change in currency rate RM	2018 Effect on profit before tax RM	Change in currency rate RM	2017 Effect on profit before tax RM
USD	Strengthened 5%	20,316	Strengthened 5%	19,857
	Weakened 5%	(20,316)	Weakened 5%	(19,857)
THB	Strengthened 5%	58,507	Strengthened 5%	36,197
	Weakened 5%	(58,507)	Weakened 5%	(36,197)

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2018	2017
Group	**RM**	**RM**
Fixed rate instruments		
Financial assets	21,290,120	6,513,227
Financial liabilities	(3,346,514)	(6,319,261)
	17,943,606	193,966
Floating rate instrument		
Financial liabilities	(13,999,103)	(8,907,652)
Company		
Fixed rate instruments		
Financial assets	37,647,816	15,187,784
Financial liabilities	-	(220,778)
	37,647,816	14,967,006
Floating rate instrument		
Financial liabilities	7,373,357	-

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (decreased)/increased the Group's and the Company's profit before tax by RM139,991 and RM73,733 (2017: RM89,077 and RMNil), arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

34. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**	**Total fair value RM**	**Carrying amount RM**
2017										
Group										
Financial asset										
Quoted shares	12,195	-	-	12,195	-	-	-	-	12,195	12,195
Financial liability										
Liability component of ICULS	-	-	-	-	-	-	(220,778)	(220,778)	(220,778)	(220,778)
Company										
Financial liability										
Liability component of ICULS	-	-	-	-	-	-	(220,778)	(220,778)	(220,778)	(220,778)

34. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as key unobservable inputs used in the valuation method.

Financial instruments not carried at fair value

Type	Valuation technique and key inputs	Significant unobservable inputs
Term loans, finance lease liabilities, liability component of ICULS and loan to subsidiary companies	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.	Interest rate (2.5% to 8.45%)

35. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Total loans and borrowings (Note 19)	17,345,617	15,226,913	7,373,357	220,778
Less: Deposits, cash and bank balances (Note 15)	(26,919,355)	(9,467,251)	(2,227,053)	(29,345)
Net debts	(9,573,738)	5,759,662	5,146,304	191,433
Total equity	88,991,756	67,054,726	81,130,215	58,564,678
Gearing ratio	-*	0.086	0.063	0.003

* The gearing ratio is not applicable as the Company have sufficient cash and bank balances to settle the liabilities as at year end.

There were no changes in the Group's approach to capital management during the financial year.

36. Subsequent Events During the Financial Year

(i) On 1 January 2018, the Company proposed to acquire a 51% equity interest representing a total of 7,407,634 ordinary shares in the issued share capital of Hot Colour Furniture Sdn. Bhd. ("HCF") for a total cash consideration of RM7,713,867. Upon completion of the acquisition, HCF will become 51% owned subsidiary of See Hup Consolidated Berhad. The acquisition has been completed in 11 April 2018.

(ii) On 3 April 2018, the Company proposed to acquire a 51% equity interest representing 382,500 ordinary shares in the issued share capital of SH Moment Builder Sdn. Bhd. (Formerly Known As Hong Seng Builder Sdn. Bhd.) for a total cash consideration of RM382,500. Upon completion of the proposed acquisition, SH Moment will become a 51% owned subsidiary of See Hup Consolidated Berhad. The acquisition has been completed in 8 May 2018.

37. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 July 2018.

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Date of * Acquisition/ Valuation	Description	Approximate		Approximate Age of Building	Net Book Value at 31.3.2018 RM'000
			Land Area	Tenure		
Lot 12768, held under Hakmilik No. 1552, Mukim 14, Province Wellesley Central, Penang	1 April 2011	Vehicle depot and workshop	4.5070 acres	Freehold	-	6,000
Lot No. 2731, held under Grant (First Grade) No. 27884, Section 4, Town of Butterworth, Province Wellesley	16 June 1996	3 storey shophouse (office)	130 sq m	Freehold	29 years	389
Lot No. 2744, held under Grant (First Grade) No. 27897, Section 4, Town of Butterworth, Province Wellesley North, Penang	16 June 1996	3 storey shophouse (store/ rented out)	174 sq m	Freehold	29 years	413
A unit of condominium known as Parcel No. J2/19/D, located at Jalan SS2/72, Jasmine Tower Condominium, Petaling Jaya, 47300 Selangor	19 July 1996	Condominium (rented out)	99 sq m	Freehold	23 years	144
HS(D) 369/1996 Plot 487(C) , Lot PT 591, MK Padang Cina Daerah Kulim, Kedah	*8 September 2000	Vacant bungalow lot	6,273 sq ft	Freehold	-	172
Lot 201 & 207 Kawasan Perindustrian Bukit Kayu Hitam, Mukim of Laka Temin, District of Kubang Pasu, Kedah Darul Aman	*30 January 2001	Industrial land with warehouse	311,353.2 sq ft	Leasehold (60 years expiring on 29/1/2061)	17 years	3,978
2 unit of 4 storey shop offices known as Parcel Nos. 5363A-2 & 5363B-2, H.S.(D) 11251 PT 8554, MK Serendah, Daerah Ulu Selangor, Negeri Selangor Ehsan.	* 24 April 2002	Shop/Office (vacant)	3,520 sq ft	Freehold	17 years	83
2 units of shop offices known as Parcel Nos: 29-01, 30-01 at Taman Juara Jaya, Balakong.	*6 June 2002	Shop/Office (vacant)	3,086 sq ft	Freehold	17 years	180
Parcel No 31-03(FR), Type B3/ Office, Storey No: G, Building No 3, Taman Juara Jaya, Balakong (Merchant Square)	*27 September 2004	Office (vacant)	739 sq ft	Freehold	14 years	56
Parcel No 39-01, Type B2/ Office Storey No: G, Building No 4, Taman Juara Jaya, Balakong (Merchant Square)	*27 September 2004	Office (Vacant)	1,543 sq ft	Freehold	14 years	108

LIST OF PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Date of * Acquisition/ Valuation	Description	Approximate Land Area	Approximate Tenure	Approximate Age of Building	Net Book Value at 31.3.2018 RM'000
Parcel No 12-01, Type D2/ Office Storey No: G, Building No 1, Taman Juara Jaya, Balakong (Merchant Square)	*1 October 2005	Shop/Office (vacant)	3,223 sq ft	Freehold	13 years	259
Lot No 157, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	1 April 2011	Vacant Land	3,189.4237	Freehold	-	1,020
Lot 324, 640, 642, 1504, 1505, 1664, 1667, 1669 and 1702, Mukim 14, Kampong To'Suboh, Bukit Minyak, Simpang Ampat, Seberang Perai Selatan, Pulau Pinang	*28 September 2007	Warehouse Open yard (vacant)	19.602 acres	Freehold	22 years	14,529
No HS(D) 60047, Mukim 01, PT 4447, Seberang Perai Tengah, Pulau Pinang	*25 July 2012	Vacant Land (Depot)	1.5391 Hektar	Leasehold	-	3,600
No HS(D) 60051, Mukim 01, PT 4445, Seberang Perai Tengah, Pulau Pinang	*16 July 2015	Vacant Land (Depot)	0.9813 Hektar	Leasehold	-	4,762
No HS(M) 23835, No PT 30311A, Mukim Klang, Revolusi Hijau Batu 5, Johan Setia, Klang, Selangor Darul Ehsan	*14 July 2016	Vacant Land (Depot)	0.4047 Hektar	Leasehold	-	1,319
No HS(M) 24406, No PT 30310A, Mukim Klang, Revolusi Hijau Batu 5, Johan Setia, Klang, Selangor Darul Ehsan	*14 July 2016	Vacant Land (Depot)	0.4047 Hektar	Leasehold	-	1,319

ANALYSIS OF SHAREHOLDINGS
AS AT 29 JUNE 2018

Issued Share Capital : RM80,053,301*
Class of Shares : Ordinary Shares
Voting Rights : One vote for every ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 29 JUNE 2018

Size of Holdings	No. of Shareholders	% of Shareholders	No of Shares	% of Issued Share Capital
less than 100 shares	19	2.48	465	0.00
100 to 1,000 shares	123	16.08	75,922	0.09
1,001 to 10,000 shares	449	58.70	1,682,750	2.10
10,001 to 100,000 shares	124	16.21	4,167,240	5.21
100,001 to less than 5% of issued shares	45	5.88	34,585,376	43.20
5% and above of issued shares	5	0.65	39,541,548	49.39
	765	100.00	80,053,301	100.00

* The issued share capital is as per Record of Depositors as at 29 June 2018 exclusive of 373,000 shares held as treasury shares.

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JUNE 2018

	Name	No of Shares	% of Issued Share Capital
1	PROGEREX SDN BHD	11,952,000	14.93
2	LHG HOLDINGS SDN.BHD.	10,238,390	12.79
3	HEAN BROTHERS HOLDINGS SDN. BHD.	6,160,880	7.70
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' LEE HEAN GUAN	5,694,478	7.11
5	OOI CHIENG SIM	5,495,800	6.87
6	A1 CAPITAL SDN BHD	3,000,000	3.75
7	SKYLITECH RESOURCES SDN. BHD.	2,600,000	3.25
8	HEAN BROTHERS HOLDINGS SDN. BHD.	2,524,714	3.15
9	HLS PROPERTIES SDN. BHD.	2,400,000	3.00
10	KHALID H.A.ZAINY MOTWAKIL	1,951,100	2.44
11	RANI WONGTOMO	1,921,681	2.40
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LHG HOLDINGS SDN BHD	1,856,545	2.32

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 29 JUNE 2018

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 29 JUNE 2018 (cont'd)

	Name	No of Shares	% of Issued Share Capital
13	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SI THO YOKE MENG	1,445,700	1.81
14	LEE LAI YENG	1,351,510	1.69
15	DATO' LEE HEAN GUAN	1,313,600	1.64
16	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR SI THO YOKE MENG	1,160,600	1.45
17	LEE YEE PING	1,088,000	1.36
18	YEAP YI FONG	1,084,400	1.35
19	RAJANDRAN A/L VISVALINGAM	773,900	0.97
20	LEE YEE HUEI	740,631	0.93
21	LHH HOLDINGS SDN. BHD.	678,900	0.85
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	678,000	0.85
23	LEE CHOR MIN	600,000	0.75
24	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW AH LIAN	540,750	0.68
25	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	518,000	0.65
26	CHEAH AH KIAT	500,000	0.62
27	MOHD HANEEF BIN MOKHTAR	476,800	0.60
28	SURINDER SINGH A/L WASSAN SINGH	440,000	0.55
29	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HEAN TEIK	438,890	0.55
30	LEE HEAN BENG	405,000	0.51

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 29 JUNE 2018

SUBSTANTIAL SHAREHOLDERS

Name		Direct No. of Shares	Direct % of Issued Share Capital	Indirect No. of Shares	Indirect % of Issued Share Capital
1.	Hean Brothers Holdings Sdn Bhd	8,685,594	10.85	–	–
2.	Dato' Lee Hean Guan	7,008,078	8.75	20,780,529[a]	25.96
3.	Lee Hean Huat	774,530	0.97	8,685,594[b]	10.85
4.	Lee Hean Beng	405,000	0.51	8,685,594[b]	10.85
5.	Lee Hean Teik	452,890	0.57	8,685,594[b]	10.85
6.	Lee Hean Seng	438,405	0.55	8,685,594[b]	10.85
7.	LHG Holdings Sdn Bhd	12,094,935	15.11	–	–
8.	Datin Chan Kooi Cheng	100,000	0.12	12,094,935[c]	15.11
9.	Progerex Sdn Bhd	11,952,000	14.93	–	–
10.	Ooi Chieng Sim	5,495,800	6.87	–	–

[a] Held through Hean Brothers Holdings Sdn Bhd and LHG Holdings Sdn Bhd
[b] Held through Hean Brothers Holdings Sdn Bhd
[c] Held through LHG Holdings Sdn Bhd

DIRECTORS' INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Company

Name	Direct No. of Shares	Direct % of Issued Share Capital	Indirect No. of Shares	Indirect % of Issued Share Capital
Lee Chor Min	600,000	0.75	–	–
Lee Hean Huat	774,530	0.97	11,260,494[a]	14.06
Datuk Haji Muhadzir Bin Mohd. Isa	–	–	–	–
Haji Shamsul Ariffin B. Mohd Nor	35,000	0.04	–	–
Ng Shiek Nee	20,000	0.02	–	–
Lee Phay Chian	88,000	0.11	–	–
Mak Cheow Yeong	43,400	0.05	–	–

[a] Deemed interest by virtue of his shareholdings in Hean Brothers Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and shares held in the name of spouse and children pursuant to Section 59(11)(c) of the Companies Act, 2016.

Subsidiaries

Mazs Marketing (M) Sdn Bhd

	Direct No. of Shares	Direct % of Issued Share Capital	Indirect No. of Shares	Indirect % of Issued Share Capital
Datuk Haji Muhadzir Bin Mohd. Isa	170,000	17.00	–	–

SH Haulage Sdn Bhd

	Direct No. of Shares	Direct % of Issued Share Capital	Indirect No. of Shares	Indirect % of Issued Share Capital
Haji Shamsul Ariffin B. Mohd Nor	300,000	30.00	–	–

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SEE HUP CONSOLIDATED BERHAD
(Company No. 391077-V)

FORM OF PROXY
Twenty-Second
Annual General Meeting

CDS Account No.			No. of Shares Held	

I*/We* ____
(Full name in Block Letters and NRIC / Company No.)

of ____ and ____________________
(Address) *(Tel. No.)*

being a member*/ members* of See Hup Consolidated Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

* *and/or (*delete if not applicable)*

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing him, the Chairman of the meeting as my*/our* proxy, to vote for me*/us* and on my*/our* behalf at the TWENTY-SECOND ANNUAL GENERAL MEETING of the Company to be held at The Wembley Hotel, Wembley Room 7, Jalan Magazine, 10300 Penang on Monday, 3 September 2018 at 9.45 a.m. and at any adjournment thereof.

	Ordinary Resolutions								
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
FOR									
AGAINST									

(Please indicate with "X" in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this ________day of ____________2018

____
Signature of Shareholder

____
Common Seal to be affixed here
if Shareholder is a Corporation

Note:

1. A Member may appoint up to two (2) proxies to attend on the same occasion. A proxy may but need not be a Member of the Company. If a Member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
2. Where a Member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the Form of Proxy must be executed under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the Form of Proxy duly completed must be deposited at the Company's Registered Office at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Pulau Pinang at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournments thereof.
6. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 27 August 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Please fold across the line and close

Affix stamp

The Joint Company Secretaries
SEE HUP CONSOLIDATED BERHAD (391077-V)
Suite 16-1 (Penthouse Upper)
Menara Penang Garden
42A, Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

Please fold across the line and close

See Hup Consolidated Berhad (391077-V)

18, JALAN LIMBUNGAN, OFF JALAN CHAIN FERRY, 12100 BUTTERWORTH.