See Hup Consolidated Berhad (391077-V)

Annual Report
2019

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third ("23rd") Annual General Meeting ("AGM") of the shareholders of SEE HUP CONSOLIDATED BERHAD ("SeeHup" or "the Company") will be held at The Wembley Hotel, Wembley Room 8, Jalan Magazine, 10300 Penang on Wednesday, 11 September 2019 at 11:30 am for the following purposes:-

As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 March 2019 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 Phay Chian — Ordinary Resolution 1
    (b) Mak Cheow Yeong — 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 2019. — Ordinary Resolution 3
    (b) Directors' benefits of up to an aggregate amount of approximately RM43,000.00 from the period commencing this AGM through to the next AGM of the Company in 2020. — 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 SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — Ordinary Resolution 6
    "**THAT**, pursuant to Sections 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 number of issued shares (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 2019 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."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 shares 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 total number of issued shares 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 RM225,744 of the Company, based on the latest Audited Financial Statements as at 31 March 2019;

(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**, Ms Ng Shiek Nee be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting"

9. **PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY** Special Resolution

"**THAT** the Company's existing Memorandum and Articles of Association be deleted in its entirety and that the new Constitution as set out in Part C and Appendix II of the Circular to Shareholders dated 31 July 2019 be and is hereby adopted as the new Constitution of the Company.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Adoption of new Constitution with full powers to assent to any conditions, modifications and/or amendments as may be required by any authorities to give effect to the Proposed Adoption of new Constitution of the Company."

10. 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 2019

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, 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 4 September 2019 (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 Resolutions 3 and 4, are to seek shareholders' approval on the Directors' fee and 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 Directors' fee and 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 in 2020.
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 Sections 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 total number of issued shares (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 3 September 2018 and which will lapse at the conclusion of the Twenty-Third 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 ("INED") of the Company to fulfill the independence guidelines as set out in Chapter 1 and Practice Note 13 of the Main Market Listing Requirements of Bursa Securities. The Board of Directors had, vide the Nominating Committee, reviewed and assessed the performance of Ms Ng Sheik Nee, who had served as INED of the Company for a cumulative term of more than twelve (12) years and recommended her to continue acting as INED of the Company based on the justifications as set out in the Corporate Governance Report.
6. The proposed Special Resolution, if passed, will align the Constitution with the Companies Act 2016 which came into force on 31 January 2017, the updated provision of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and prevailing laws, guidelines or requirements of the relevant authorities, to enhance administrative efficiency and provide greater clarity. Please refer to Part C of the Circular to Shareholders dated 31 July 2019 for further information.

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

No individual is standing for election as a Director at the forthcoming 23rd 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
170-09-01, Livingston Tower
Jalan Argyll
10050 George Town, 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
Stock Code: 7053

CORPORATE STRUCTURE

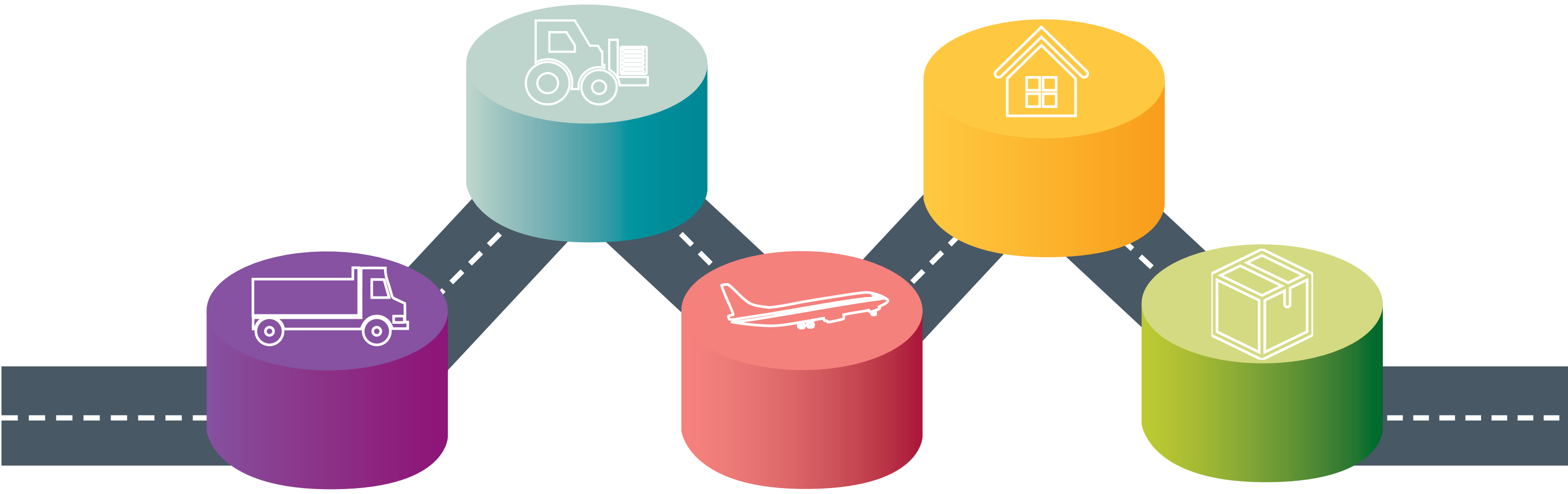
See Hup Consolidated Berhad (391077-V)

Machinery Hire, Sub-Contracting Works & Trading Division

- 100% See Heng Company Sdn Bhd (13493-H)
- 80.32% Bentara Dermaga Sdn Bhd (562653-V)
- 51% SH Moment Builder Sdn Bhd (1085944-V)

Investment Holding Division

- 100% Mahajaya View Sdn Bhd (708501-K)
- 100% Limsa Ekuiti Sdn Bhd (263423-V)
- 51% Hot Colour Furniture Sdn Bhd (392997-X)
- 47.64% Kimsar Sdn Bhd (8285-V)



Transportation & Logistics Services Division

- 100% See Hup Transport Company Sdn Berhad (3666-U)
- 100% See Hup Transport (KL) Sdn Bhd (230182-A)
- 100% Jentanian Transport and Forwarding Sdn Bhd (64468-D)
- 100% Butterworth Transport Company Sendirian Berhad (8818-U)
- 70% Agriplex (M) Sdn Bhd (705649-D)
- 50.1% SH Logistics (M) Sdn Bhd (13323-K)
  - 45.5% See Hup Pioneer Logistics (Thailand) Co Ltd

Freight Forwarding Division

- 100% SH In Express (M) Sdn Bhd (Formerly known as Chuan Eng Teik (M) Sdn Bhd) (44507-K)
- 93.75% SH Worldwide Logistics Sdn Bhd (263421-K)
- 88.75% SH Supply Chain Sdn Bhd (201615-K)
- 83% SH Global Freight Sdn Bhd (888908-A)
- 50% SH Freight Services Sdn Bhd (223151-D)
- 49% Tanjung Marine Sdn Bhd (80494-P)
- 49% Perkapalan Maritime Sdn Bhd (81023-W)
- 40% Maruzen SH Logistics Sdn Bhd (1161930-M)

Warehousing & Haulage Division

- 76.85% Mazs Marketing (M) Sdn Bhd (215102-A)
- 56.5% See Hup Pioneer Logistics Sdn Bhd (530798-U)
  - 70% SH Haulage Sdn Bhd (550317-T)

PROFILE OF DIRECTORS

Lee Chor Min
Group Managing Director
Executive Director

Male, aged 44, 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 Group. 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. He was responsible in promoting the cross-border logistics plying between Thailand, Malaysia and Singapore.

He has also initiated the Group's Air and Sea Freight divisions which have todate contributed positively to the growth of the Group.

Lee Hean Huat
Executive Director

Male, aged 71, 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 74, 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 70, 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.

Ng Shiek Nee
Independent Non-Executive Director

Female, aged 52, 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 52, 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 the Nomination Committee and Remuneration Committee and a member of the Audit Committee.

PROFILE OF DIRECTORS (CONT'D)

Mak Cheow Yeong
Independent Non-Executive Director

Male, aged 72, 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 50, 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 39, 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 49, 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 47, 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 45, 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 provide guidance on the Group's Strategic direction 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. The Independent 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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:

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

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. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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	Allowed Financial Assistance & benefits to Directors and Raising the Standards on Disclosure
Lee Hean Huat	Highlights on Double Transition Periods
Tuan Haji Shamsul Ariffin B. Mohd Nor	14th TRICOR Tax Seminar
Datuk Haji Muhadzir Bin Mohd Isa	Highlights on Double Transition Periods
Lee Phay Chian	National Tax Conference 2018 (Kuala Lumpur) Seminar Percukaian Kebangsaan 2018 (Pulau Pinang)
Ng Shiek Nee	Would a Business Judgment Rule Help Directors Sleep Better at Night?
Mak Cheow Yeong	Highlights on Double Transition Periods

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 (*Independent Non-Executive Director*)
Ms. Ng Shiek Nee (*Independent Non-Executive Director)*
Mr. Mak Cheow Yeong *(Independent Non-Executive Director)*

During the financial year, the Remuneration Committee met twice 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Details of Directors' Remuneration
Details of the remuneration of the Directors financial year ended 31 March 2019 are as follows:

	Fees (RM)		Salaries and Bonuses (RM)		Benefits in Kind*/ Allowances (RM)		Total Amount (RM)
Category	**Company**	**Subsidiary**	**Company**	**Subsidiary**	**Company**	**Subsidiary**	
Lee Chor Min *Group Managing Director*	8,000-00	52,500-00	–	525,750-00	–	23,289-00*/ 6,000-00	615,539-00
Lee Hean Huat *Executive Director*	8,000-00	26,000-00	–	508,500-00	–	* 16,227-00*	558,727-00
Tuan Haji Shamsul Ariffin B. Mohd Nor *Executive Director*	8,000-00	–	–	159,000-00	–	8,796-00*	175,796-00
Datuk Haji Muhadzir Bin Mohd Isa *Executive Director*	8,000-00	2,000-00	–	79,000-00		–	89,000-00
Ng Shiek Nee *Non-Executive Director*	10,000-00	–	–	–	9,000-00	–	19,000-00
Lee Phay Chian *Non-Executive Director*	8,000-00	–	–	–	9,000-00	–	17,000-00
Mak Cheow Yeong *Non-Executive Director*	8,000-00	–	–	–	9,000-00	–	17,000-00

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

	Number of Directors	
Range of remuneration	**Executive**	**Non-Executive**
RM600,001 – RM 650,000	1	–
RM550,001 – RM600,000	1	–
RM500,001 – RM550,000	–	–
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 RM1,395,615.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 2019

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 REPORT

OUR SUSTAINABILITY JOURNEY

Throughout our sustainability performance during the year, See Hup Consolidated Berhad ("See Hup" or "the Group") has initiated and implemented measures at addressing primary challenges and deterrents highlighted from our ever-expanding approach towards achieving sustainability. With the foundation that the Group has established throughout its long and enduring history as a total logistics provider, we are determined to ascertain that our operations will contribute towards a positive impact in equitable growth and socio-environment contribution.

Furtherance to which, the Group is committed to:-
- Reduce any adverse impact to the environment directed by our operations via sustainable preservation practices and thorough inspections of vehicles and equipment;
- Support and exercise ethical business practices through essential ethical code and governance guidelines; and
- Improve the welfare of community in which we operate in and to consistently provide support and aids to any society in need.

This year's reporting reflects our efforts at overcoming our limitations and gaining our achievements as the Group assuredly engaged in a learning curve at addressing sustainability. Notwithstanding our current initiatives, we will continue to pursue enhancements over our practices and disclosures while we learn to adapt a holistic approach with the dynamic nature of our industry.

REPORTING SCOPE AND BOUNDARY

This Sustainability Statement ("Statement") is written in accordance with and guided by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR") – Practice Note 9 and the Sustainability Reporting Guide issued by the Exchange. In overall, the Statement encompasses the Group's main nature of business rather than an inclusion of every aspect of its operations. Furthermore, it covers all key subsidiaries of See Hup and excludes outsourced activities, joint ventures as well as entities within its value chain such as vendors and suppliers.

A breakdown of the scope of the Statement can be summarised as follows:-

SCOPE OF REPORT	1 April 2018 to 31 March 2019
REPORTING CYCLE	Annually
PRINCIPLE GUIDELINES	Bursa Malaysia's Sustainability Reporting Guide
COVERAGE	See Hup and its subsidiaries.

In view of portraying a comprehensive disclosure to our stakeholders, this Statement is to be read together with the Management Discussion and Analysis ("MDA") in this Annual Report that delineates both our financial and operational performance during the financial year.

FEEDBACK

This Statement is available for download at our corporate website at http://www.seehup.com.my. Being part of our effort to improve our performance across all Economic, Environment, and Social ("EES") outlooks, we look forward to any feedback and input on this Statement and any other aspect of our performance.

GOVERNANCE STRUCTURE

Forming part of the Group's foundation towards its sustainability goals, the Board of Directors ("Board") of See Hup formed a Sustainability Working Group ("SWG") during the year with the view of establishing a dedicated and consistent structure to manage our sustainability practices. In overall, the SWG was developed and tasked to guide, oversee and execute EES efforts to achieve sustainable goals and safeguard our long-term business competitiveness.

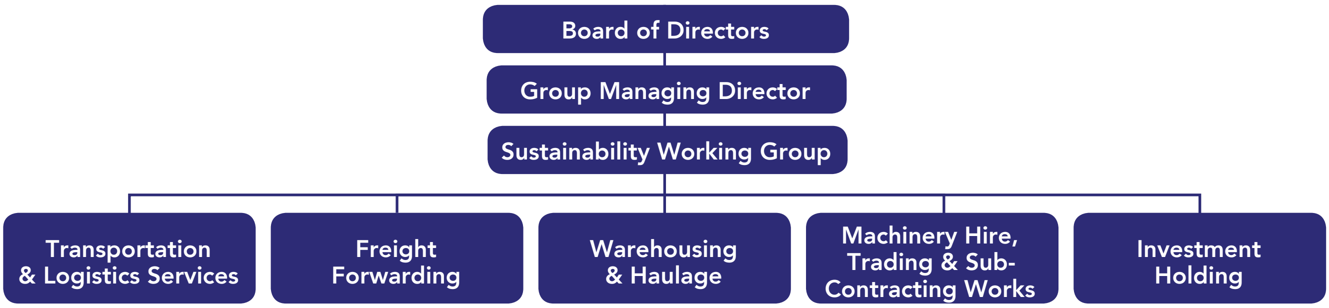
On the structure of the working group, the SWG is currently led by our Managing Director and comprises key Senior Management personnel across the main operational divisions of the Group. The creation of a cross-functional structure that spans across the organisation permits for a platform to gather diverse perspectives and views hence encouraging an all-inclusive understanding of sustainability.

From the various aspects of operation, each member of the SWG is responsible for the initiation and handling of initiatives planned along with the gathering of performance data for disclosure. This arrangement is to create a better focus and sense of accountability within the organisation in regards to achieving objectives beyond meeting basic expectations.

The SWG will meet at least once a year, or when a need arises, to review, discuss, assess and recommend strategies on improving our sustainability approach prior to reporting to the Board. With such lines of responsibilities and due considerations, we ensure that all issues are discussed and addressed individually through our various reporting tiers.

SUSTAINABILITY REPORT (CONT'D)

A diagram of our governance structure on sustainability is as illustrated below:-



With the structure still at its inception phase, the SWG will seek to develop and expand its outreach and responsibilities. Efforts are also placed at collating our input along with the inclusion of feedback from external stakeholders in order to equip the Group with a comprehensive view on how to manage its sustainable footprint into the future.

ENGAGEMENT WITH STAKEHOLDERS

At See Hup, we believe that stakeholder engagement is a key component within our journey towards sustainability. Direct and active engagements with our internal and external stakeholders have provided the Group with a great platform to broaden our ability to understand and align our strategies based on the feedback and insights gathered.

In definition, stakeholders are recognised as individual or entity or group who are impacted by our business operations or presence and those who have vested interest that may potentially influence our practices.

The views and input gathered through our various means of engagement have essentially assist us in developing an accurate and inclusive management approach towards our sustainability goals. This is in addition to a stakeholder mapping exercise which were carried out by the Group during the year in which aided us in recognising the priority of our stakeholders through a structured process. In overall, such means has enabled us to identify and prioritise matters that are material from the perspective of our stakeholders.

With reference to the mapping exercise, the Group managed to identify and highlight six (6) key stakeholders groups which were actively engaged through our various activity during the year. A summary of our primary stakeholder and its engagement platforms is as indicated below:-

Stakeholder	Means of Engagement	Frequency
Customer	• Contract Negotiation • Meeting/Discussion • Press Release/Announcement • Corporate Website	• Ad-Hoc • Weekly • Ad-Hoc • On-Going
Government/ Regulatory Body	• Report Submission • Audit/Other Inspection Visit • Meeting/ Discussion • Press Release/Announcement • Corporate Website	• Ad-Hoc • Ad-Hoc • Weekly • Ad-Hoc • On-Going
Supplier/ Vendor	• Evaluation and Performance Review • Contract Negotiation • Vendor Registration • Meeting/ Discussion	• Annually • Ad-Hoc • Ad-Hoc • On-Going
Shareholder	• Annual General Meeting • Annual Report • Quarter Result Announcement • Press Release • Corporate Website	• Annually • Annually • Quarterly • Ad-Hoc • On-Going
Employee	• Performance Review Discussion • Grievances/Whistleblowing Procedures • Meeting/Discussion	• Ad-Hoc • Ad-Hoc • Weekly
Public/Local Community	• Community/Engagement Programme • Press Release/Announcement • Corporate Website	• Ad-Hoc • Ad-Hoc • On-Going

In line with the dynamic nature of our operating environment and the ever-changing expectations of our stakeholders, the Group will continue to work towards expanding our coverage and recognition to a wider pool of stakeholders.

SUSTAINABILITY REPORT (CONT'D)

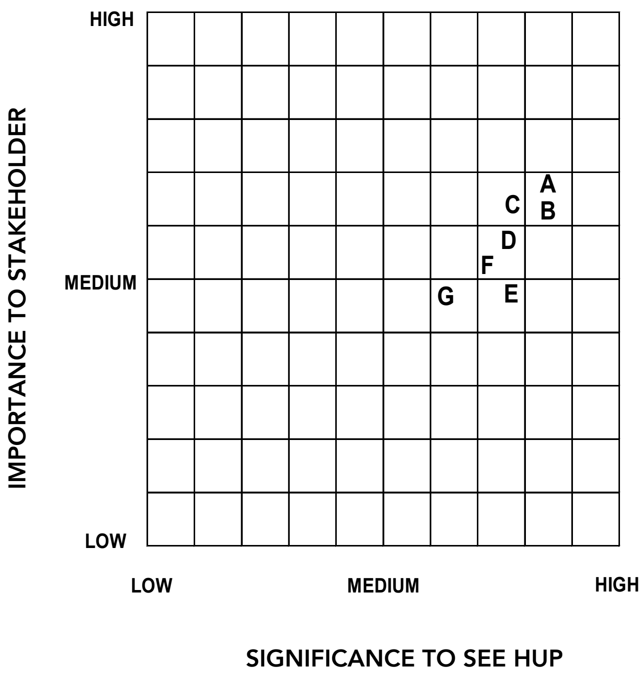
MATERIALITY ASSESSMENT

By integrating the feedback from our stakeholders with our internal view and data, See Hup has carried out a materiality assessment exercise for FY2019. The assessment was planned and carried out to assess and pinpoint material sustainability matters where the Group shall focus its resources on actions to manage these issues strategically. As for the purpose to the exercise, our definition of material issues are those which are relevant to our stakeholders and may likely impact the Group in a positive or negative manner.

In summary, the fundamental assessment was initiated by the SWG, comprising Senior Management personnel across all divisions in which every aspect of our practices which were sustainably significant and crucial were collectively identified. Therefrom, each practice was assessed and identified based on its relevancy and precedence. With the combination of our industry experiences and analysis of benchmark leading companies, the results of our assessment were deliberated by the SWG and subsequently presented to the Board.

From all the sustainability matters identified via the assessment, the Group identified and selected the following seven (7) material sustainability matters as our primary focus for the year. Each matter have been plotted into a matrix based on the level of significance to our stakeholders and its impact to the Group. Similarly, the practices are categorised under the relevant EES scopes in a separate table.

Materiality Matrix



Sustainability Matters	
A	Ethical Conduct of Business
B	Efficient Utilisation and Upkeep of Vehicles & Heavy Machineries
C	Health and Safety Initiatives
D	Environmental Conservation Efforts
E	Sustainable Procurement Management
F	Employee Welfare & Well-Being
G	Community Contributions & Donations

Economic
Environmental
Social

With consideration that a correlation exist between these materiality matters, the Group acknowledges that they are of equal importance and ensures that all efforts are uniformly implemented at addressing and managing each matter adequately.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY PRACTICES AND PERFORMANCE

ECONOMIC STANDPOINT

Ethical Conduct of Business

See Hup has always committed at executing our operations objectively with the focus of ethically complying with all relevant rules, regulations and guidelines. It is embedded within our principles that all efforts are practicably carried out under the purview of this scope notwithstanding the eventual resources required or induced.

In summary, our commitment to meet the highest standard of business conduct includes regulatory matters which relates, but not limited to, the following:-

- Road Transport, Forwarding & Logistic Activities
- Licensed Warehousing Facilities
- Import and Export Customs
- Labour Practices
- Occupational Safety and Health
- Environment
- Information Database

With the assurance that regulatory requirements are constantly kept abreast and uphold, the Group positively seek to operate without disruptions, thus ensuring the sustainability element of our business as we progress. Thus, we have imposed a structured internal assessment process over the existing practices and controls alongside the support of external review services in view of ascertaining that the abovementioned objectives are feasibly achieved. In addition to which, the Group also ensures that the developments and updates of main compliance obligations are consistently pursued through close consultation and engagement with authority body.

Moreover, building on what we have achieved in prior years, the Group continued to monitor and assess its practices at managing whistleblowing through our standardised and transparent policy. Such avenue was structured to provide an effective tool to gain knowledge on any grievances, malpractices or wrong-doings reported from stakeholders in confidence.

We are committed with such impartial engagement tool, we will be able to address a wider pool of information and avoid the prevalent occurrence of tunnel vision; where matters are only assessed and defined based on the Group's internal perspective. As for FY2019, there were no cases reported through our whistleblowing channel.

On the other hand, our efforts in corporate governance have led us to maintain existing practices and disclosures whilst introducing new measures as we aimed to adhere with the Bursa Malaysia's Main Market Listing Requirements ("MMLR"), Malaysia Code of Corporate Governance ("MCCG") and other related guidelines.

In regards to the abovementioned, the Group has fulfilled its intention of having no instances of non-compliance with relevant laws and regulations which may have resulted in major fines or penalties during the year. Leading our steps forward, we will continue to review our policies and procedures to identify areas of improvements and work towards keeping our principled track record.

Sustainable Procurement Management

In ensuring an efficient and smooth operation within our organisation, the Group constantly rely on the support of our dependable suppliers and vendors. Throughout our operating history, our procurement practices have been structured and carried out on a fair and consistent manner in which suppliers can engaged us impartially while fulfilling our requirements.

One of the primary area of our procurement is to ensure that the Group can access to secure and reliable source of spare parts and consumables, in supporting the repairs and maintenance aspect of our operations. Hence, in view of ascertaining such structure, the Group have established robust controls over the sourcing and selection process of our suppliers.

This is evident through our existing preliminary evaluation practice whereby each new supplier will be thoroughly assessed in order to ensure the quality and pricing of the product / service sourced as well as the capacity of the supplier prior to the placement of order. Furtherance to which, the Group is currently developing a comprehensive checklist which will be utilised for an annual performance evaluation exercise with the basis of covering the top ten (10) suppliers engaged by each division within our organisation. Results of such assessment shall then be tabulated and subjected for deliberation with the suppliers, where necessary, in order to provide constructive feedback for improvement or commendation. As we look towards completing the exercise, data on our performance shall be gathered and disclosed within our next reporting cycle.

Besides, See Hup also focuses its efforts at sourcing local supplies within the organisation's strategic area of operations, whenever feasible. This is in order for the Group to ensure that its engagement with each supplier are kept at a minimal impact to the environment, i.e. in relation to logistic for completing the product / service delivery as well as to encourage a positive impact towards the local economy. As for Financial Year ("FY") 2019, our priority to support local vendors has managed to secure us a total of 36% of our supplies locally based on an assessment of our top 25 suppliers (i.e., allocated by the volume of purchase made for FY 2019). Recognising the benefits of this approach, the Group will aim to maintain and extend such performance in the foreseeable future.

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENTAL FOREFRONT

Efficient Utilisation and Upkeep of Vehicles & Heavy Machineries

It is part of See Hup's ongoing acknowledgement that one of the key component of our business do inevitably impact the environment, either directly or indirectly, i.e. with it being the commercial vehicles, heavy machineries and equipment utilised in our daily operations. Hence, actions have been carried out during the year to minimise any adverse environmental impact by focusing and improving our efforts on the utilisation of our vehicles and machineries.

Efforts were placed strictly at ensuring that each of our vehicle or machinery is upkeep and maintained at its optimum capability and condition through a competent team of mechanics. This is showcased through our effort in establishing five (5) designated repair and maintenance vendors which are outsourced and stationed at five (5) different key locations of our operation, i.e., within Kedah, Penang and Selangor. In addition to which, these vendors also facilitate with the deployment of quick-response team which are readily available to assist with any emergency breakdown or ad-hoc service needs on site.

Besides, we also monitor that all our commercial vehicles are consistently subjected to the regulated inspections at PUSPAKOM at the interval of every 6 months, and enforces that such practice is implemented across our organisation without exceptions. In combination with our internal maintenance schedule, we aim to ensure that our vehicles are running well beyond its condition and thus limiting the risk of unnecessary breakdown or emission of unwanted pollutants.

Furthermore, on an overall standpoint, the Group has been working towards replacing its fleet of vehicles and machineries progressively with newer units that may be more operationally and environmentally efficient. Hence, for FY 2019, we managed to acquire and place in operation a total of 55 new, refurbished and reconditioned commercial vehicles which expanded as well as replaced part of our existing fleet. This ongoing expansion was in consideration that newer vehicles will be more efficient to operate, hence less pollutant in due course.

Additionally, as part of our effort in monitoring each vehicle's efficiency, every department has a dedicated team who is responsible at monitoring and analysing the mileage covered by individual vehicle through its global positioning system and its overall fuel consumption. Consequently, vehicles that are performing below its normal capabilities will be highlighted and inspected promptly to ensure that any course of actions are expedited where necessary.

With such support on our ever-expanding fleet capacity, we can pursue our idealistic aim at providing more value-added total logistic solutions. An approach in which we believe may result in higher efficiency of services, with effective planning of higher capacity vehicles that can cater for more freight but under less fuel consumption scenarios. This may eventually lead to minimising our impact towards the environment.

Environmental Conservation Efforts

In acknowledging that an adverse environment condition may eventually pose a key risk to See Hup's sustainable future, we are cognisant of how our business presence and activities may also potentially contribute to climate change. Therefore, to develop and widen our approach at environmental conservation efforts, we have initiated several initiatives during the year that are aimed at such objective.

Firstly, at every premises of our operation, we advocate a culture of conservation in which employees are encouraged to conserve any energy and water consumption. Practices carried out are such as limiting the number of air conditions operating at any given time, turning off lights, air conditioners or any other electrical appliances when not in use as well as conserving water by turning off any water features after being used as well as fixing any leakage of water connections as soon as it is noticed. Moreover, in monitoring our energy and water consumption, we also track our electricity and water billing on a monthly basis for all our premises in which any unusual deviations identified are promptly investigated and addressed.

On the other hand, we are in the midst of planning and initiating a recycling practice across our organisation in which all wastages will be segregated based on it recyclable component such as paper, plastic, glass and metals prior to being disposed. Furtherance to which, the Group will gradually prepare and place recycling bins by individual location of our operations for the convenience of our employees in disposing such items. Collectively, the materials will then be donated to recycling vendors on an on-ongoing basis throughout the year.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL COMMITMENT

Health and Safety Initiatives

In recognising the importance of a safe and healthy working environment for our stakeholders, See Hup has worked towards maintaining the highest level of measures along expanding our awareness on the forefront of safety and health. Overall, the Group strives to uphold such initiatives whilst ensuring uniform compliance of the Occupational Safety and Health Act 1994 ("OSHA") and Factories and Machinery (Amendment) Act 206 ("FMA").

A list of the various health and safety related measures presently practiced and maintained within the Group can be summarised as below, among others:-

Safety, Health and Environmental Committee	A working group consisting key Senior Management from each division and operation that is tasked to develop, assess and oversee all our practices on upholding safety and health.
Health and Safety Officer	A dedicated individual who is tasked to advise and assist in the implementation of health and safety related measures across the organisation.
Health and Safety Standard Operating Procedures	Guided control measures and ownership which cover the primary aspects of:- - Safety, Health and Environmental Policy - Road Transport Safety Policy - Personal Protective Equipment (PPE) - Accident Reporting and Investigation Procedure - Vehicle Management, Conducting Checks / Inspection & Repairs - Journey Risk Identification and Management.
Safety Equipment	Equipment such as safety shoe, safety vest, safety goggle, warning triangle, first aid kit, mask, earplugs and etc. are adequately maintained and provided for the use of our employees and other stakeholders, when required.
Firefighting Equipment and Facilities	Each premise within the Group is furnished with adequate firefighting equipment such as fire extinguishers, water hose reels and water storage tanks. Said facilities are constantly monitored and updated by the management with the assistance of professional outsourced service vendors.
Provision of First Aid Kits	Kits are conveniently placed throughout each premise of our operation in order to make it easily accessible to our employees or other stakeholders when needed.
Security Measures	Appointment of security companies that provide assistance to the Group to oversee the surveillance of each premise and monitor for any unauthorised access / entry.

In ensuring that we effectively implement each of the above-mentioned measure, the Group has commenced the practice on an internal work safety audit exercise. The audit will be carried out by our Safety and Health Officer for each subsidiary within the Group based on its respective operating location. For the purpose of the assessment, a checklist is developed in which the following items are observed and inspected:-

- Overall Health & Safety Management
- Monitoring & Hiring of Drivers
- Emergency during Operation/Transportation Journey
- Safety of Vehicles
- Record Keeping
- Safety of Machineries
- OSHA & FMA Safety Requirements & Facilities

As a result of our on-going commitment, for FY 2019, there were no incidents reported within the organisation which resulted in any severe injury or casualty. The incidents were categorised as road related accidents and dangerous occurrences under the definition of the stipulated requirements. In overall, the incidents were promptly addressed and managed effectively by our management team, to which it did not result in any significant loss time consequences.

All our practices has enabled us to be on a feasible track to ensure that every health and safety aspect of the organisation are handled effectively, thus limiting the risk of any unforeseen threat and potential hindrance to our operations. Moving forward, we will continue to pursue in sustaining our performance at creating a fundamentally healthy and safe environment.

SUSTAINABILITY REPORT (CONT'D)

Employee Welfare and Well-Being

This year See Hup has continued it efforts in recognising that talent resources are the key contributor and competitive factor in realisation of our business goals and opportunities. With consideration of the nature of our operation, our enduring success has been built on and relied upon a foundation of strong and committed work force.

Part of our initiatives in contributing back to our employees has been our efforts to provide readily support and welfare to our employees on a consistent basis and whenever such a need arises. With that in mind, the Group has continued providing monetary contribution to non-executive employees in aiding the children of said employees with school expenses at the beginning of every schooling year. In total, for FY 2019, we contributed to a total of 137 employees for a total of RM52,400, which were accumulated from contribution of RM200 per children for each employee.

Additionally, the Group also advocates for a good work-life balance, in which we constantly organise various activities and programmes which promotes team-building, a diversified culture and healthy lifestyle. As well as being a way for us to show our sincere gratitude towards our employees, various activities were organised during the year, such as team-building events, team gatherings, sports participations and etc., which can be illustrated below:-

SUSTAINABILITY REPORT (CONT'D)

Besides, the Group is not only committed at establishing a healthy and diverse working environment for our employees, we are also determined to support them with equal opportunities for their career development. Emphasis has always been placed during our operations to focus on expanding our induction training programmes for new hire and our continuous on job trainings which is structured to provide valuable hands-on experience and in-house technical knowledge.

Moreover, during the year, we also identified and organised various external professional and personal training programmes, which includes technical programmes, soft skills and others. In total, the Group's training and development expenses for the year was RM102,522, which were supported by funds contributed to the Human Resources Development Fund ("HRDF"). With that, a total of 157 employees attended 21 trainings during FY 2019, leading to an average of 11 hours of training per employee and a coverage of 31% of our total employees.

Building on the current foundation, our progression forward as a responsible organisation will be supported by the expansion of our efforts in preserving our employees' welfare and well-being.

Community Contributions & Donations

In view that our operations and its success are directly tied into and impacted by our local community, the Group remains an active participant to fulfil our social responsibility and to promote its awareness. Encouragement has been led by our Senior Management within the organisation in which employees and other stakeholders within our network are constantly motivated and assisted to contribute back the community we serve and operate in.

Furtherance to which, during FY 2019, the Group organised and contributed to several charitable events and communal activities, through donations and volunteering efforts by our employees. Among which, is a contribution of RM100,000 to the Malaysian Red Crescent Society (Seberang Prai Utara District) as funding aid for the non-profit organisation to purchase a new ambulance. The aid was a continuance from our effort last year when the Group made similar contribution in supporting the society with the purchase of an emergency vehicle as necessary for their duties.

All efforts carried out were intended to enable the Group to contribute back responsibly in support of any social causes as well as to provide relief and assistances to the less fortunate or underprivileged. In return, we had further expanded the organisation's standpoint at being accountable and devoted to supporting our local community under a constructive interdependence relationship.

HEADING TO A SUSTAINABLE FUTURE

Since starting our journey at developing a comprehensive outlook towards ensuring sustainability beyond the operational norm, it has been an eye opening opportunity in which we learn to address sustainability on a wide basis as we grow broadly committed. Efforts made this year marked our small but dedicated steps at ensuring every EES aspect of sustainability is observed and managed within our organisation. Henceforth, the Group shall devote more efforts at expanding our sustainability framework and with it, improved disclosures in the foreseeable 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 (RM)	Company(RM)
Audit Fees	162,000-00	22,000-00
Non-Audit Fees	Nil	6,000-00

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 2019

5.1 The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2019 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")	189,011	Provision of forwarding and transport services in Malaysia to Four Seas	***Interested Director/ Major Shareholder*** Surasit Santiwarakom
		748,248	Provision of forwarding and transport services in Southern Thailand by Four Seas	
See Hup Pioneer Logistics (Thailand) Co. Ltd ("SHPL Thailand")	SH Logistics (M) Sdn Bhd	–	Provision of transport services in Malaysia to SHPL Thailand	***Interested Director/ Major Shareholder/ Person Connected*** Li Chun Huat
		694,482	Provision of transport services in Thailand by SHPL Thailand	
Tanjung Marine Sdn Bhd	SH Haulage Sdn Bhd	2,306,937	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	413,479	Provision of transportation services to SHPL	***Interested Director/ Major Shareholder*** Datuk Haji Muhadzir Bin Mohd Isa
SH Freight Services Sdn Bhd	SHPL	56,878	Provision of forwarding services to SHPL	***Interested Director/ Major Shareholder*** Khoo Teng Lye

OTHER DISCLOSURES (CONT'D)

Related Party with whom the Group is transacting	Company within the Group involved	Amount (RM)	Nature of transactions	Interested Related Party
Biaxis (M) Sdn Bhd	See Hup Group	3,340,860	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
Uni Moment Engineering Builders Sdn Bhd	SH Moment Builder Sdn Bhd	397,701 –	Supply and rental of trucks, equipment and machinery and equipment to Uni Moment Engineering Builders Sdn Bhd Supply and rental of trucks, equipment and machinery and equipment by Uni Moment Engineering Builders Sdn Bhd	***Interested Director/ Major Shareholder*** Lee Kean Leng
SH Moment Builder Sdn Bhd	Hot Colour Furniture Sdn Bhd	304,096	Provision of sub-contracting services for renovations and maintenance works to Hot Colour Sdn Bhd	***Interested Director/ Major Shareholder*** Dato' Teoh Hai Hin and Teoh Hai Bim

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 2019 are as follows :

Recipient -Subsidiaries	Provider	Amount (RM)	Interested Related Party
SH Haulage Sdn Bhd	See Hup Consolidated Berhad	270,000	*Interested Director/Major Shareholder* Haji Shamsul Ariffin Bin Mohd Nor

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.

AUDIT COMMITTEE REPORT (CONT'D)

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.

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

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:

Financial Reporting

- Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Group and its related notes to the financial statements for the period ended 31 March 2019 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 Financial Reporting Standards with the consideration of safeguarding the accuracy and integrity of information.

External Audit

- 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 sessions with the external auditors without the presence of the Executive Directors and Management staff on 28 February 2019 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 RM38,000-00.

During the financial year ended 31 March 2019, 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.

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

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 2019. 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 2018	13-16 March 2018 20 March 2018	Mazs Marketing (M) Sdn Bhd	Procure to Pay
Second Visit July 2018	23-27 July 2018 10 August 2018	Mazs Marketing (M) Sdnn Bhd See Hup Pioneer Logistics Sdn Bhd See Hup Pioneer Logistics (Thailand) Co Ltd	Post Implementation of Internal Controls
Third Visit October 2018	17-18 October 2018 29 -30 October 2018	SH Global Freight Sdn Bhd	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 the Recommended Practice Guide 5 (Revised) 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 2019 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 2019*

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

A year into the unprecedented change of Malaysia's government administration and presented with a multitude of challenges, its priorities seem to be to manage and reduce the country's huge public debt, to recover and bring to book those responsible for the immense loss of the nation's development funds.

This has proven to be a distraction, apart from other political headliners to the current administration to plot more definitive and forward looking economic policies for the business community at large and specifically for the small and medium enterprises industry that contributes 37% to GDP and 66% of employment. The spillover effect has resulted in a negative influence over private domestic consumption with the inherent uncertainties of employment and wages sustainability as overall investment growth is expected to moderate.

Apart from the above domestic scenario, external headwinds that lent volatility to the current market economy include the on-going trade war between US and China, China as Malaysia's major trading partner is experiencing slower growth, Europe's lacklustre economy on the back of the unresolved Brexit deal and the spectre of military conflict in the Gulf region.

On a positive note, the Government has announced the resumption of the mega ECRL project albeit with a lower cost through track re-alignment and other related infrastructure modifications. In 2018, headline inflation declined to 1% (2017 : 3.7%) due to fixing of retail fuel prices and the initial reduction of GST rate from 6 to 0% and subsequent repeal of the Goods and Services Tax Act. Going into 2019, headline inflation is expected to average 0.7 to 1.7% will enable sustained private sector spending.

Malaysia's GDP moderated to 4.7% in 2018 (2017: 5.9%) and is expected to grow at 4.3 to 4.8% in 2019 (2019 1Q 4.5%). The nation's strong economic fundamentals and well diversified economy will see it through the emerging domestic and global headwinds. BNM's recent 25 basis points reduction in the Overnight Policy Rate should incentivize the domestic economy to continue on a steady growth path.

Financial Review

The less than robust economic overview outlined above has weighed on See Hup's Group performance for the financial year under review. It is reporting a marginally higher group revenue of RM95.8 million compared to RM93.8 million in the preceding financial year. This increase has not translated into generating positive earnings for the Group as the current year loss before tax amounted to RM4.4 million against a profit of RM1.8 million achieved last year.

The increase in revenue is mainly contributed through its subsidiaries involved in the air and sea freight forwarding business division and through a 51% owned subsidiary acquired during the year, SH Moment Builder Sdn Bhd ("SHMB") which is engaged in the business of provision of sub-contracting works. The air and sea freight forwarding operations continued to show improved revenue of RM25.1 million (2018: RM21.6 million) representing 26% (2018: 23%) of total reported revenue while SHMB contributed RM1.6 million in its first year of operations.

The Group's core business activity of provision of transportation and logistics services covering domestic and cross-border inland trucking, container haulage, heavy machinery hire and warehousing faced challenging headwinds of competition, increasing operational staff and maintenance costs but was still able to maintain its revenue contribution compared to last year at approximately RM66 million accounting for 70% of Group revenue.

Arising from the challenging operating environment, the Group is reporting a net loss of RM4.8 million compared to last year's net profit of RM1.3 million which saw higher non-revenue income of RM4.5 million compared to RM2.1 million in the current year.

Staff costs which includes operational employees increased by RM2.4 million or about 10% to RM25.2 million over last year's expenditure of RM22.8 million due to an increase in headcount and rise in minimum wages from January 2019. Similarly, depreciation charge also recorded an increase of RM1.2 million to RM7.6 million over 2018 expense of RM6.4 million. This came about from the acquisition of moveable and non-moveable assets during the year under review particularly the investment in a subsidiary Hot Colour Furniture Sdn Bhd ("HCF") which had in its books leasehold property comprising land and building of RM26 million.

Group total borrowings increased to RM33.8 million as at financial year end compared to RM17.3 million in the preceding year. The increase in borrowings to fund its capital expenditures and working capital requirements resulted in the Group's financing costs to increase in tandem to RM1.8 million against last years incurred amount of RM0.7 million.

As at financial year end, the Group's net cash and cash equivalents amounted to RM10.3 million (2018: RM23.5 million) and net equity of RM82 million translating into a valuation of RM1.02 per share (2018: RM1.10).

The Company declared an interim dividend of 1.8 sen per share which was paid on paid on 28 January 2019 to reward its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Operational Review

During the year under review, the various subsidiaries in the Group incurred capital expenditure totaling approximately RM13 million in revenue generating operating assets such as prime movers, tankers, trailers and low-loaders and heavy equipment comprising excavators, bulldozers and tipper trucks as additional and replacement assets in a forward looking strategy to prepare itself to meet customers requirements.

Moving forward, it is expected that the air and sea freight business operations will record strong growth through focused marketing in the highly industrialized Klang Valley and export oriented manufacturing hub of Penang state whereas SHMB will capitalize on its CIDB Grade G7 license which enables it to bid for building and civil engineering construction works with indefinite contract value.

In anticipation of an increase in demand for warehouse space from its local and multi-national customer base, it chose to invest RM7.7 million to acquire a 51% equity stake in HCF in the first quarter in the financial year. The property which has approximately 120,000 square feet of lettable space will add to the Group's stable of warehouses which it already operates in Bukit Kayu Hitam and Sungai Petani in the state of Kedah.

HCF's property also includes an existing office building which will eventually serve as the Group's corporate head office. This move will enhance See Hup's image as a dynamic and preferred total logistics service provider to its customers.

While the bulk of See Hup's business is focused in the central and northern region of Malaysia, it looks to strengthen its business operations in the south with the allocation of new operating assets through two subsidiaries which contributed RM15.2 million (2018: RM12.5 million) to total Group revenue.

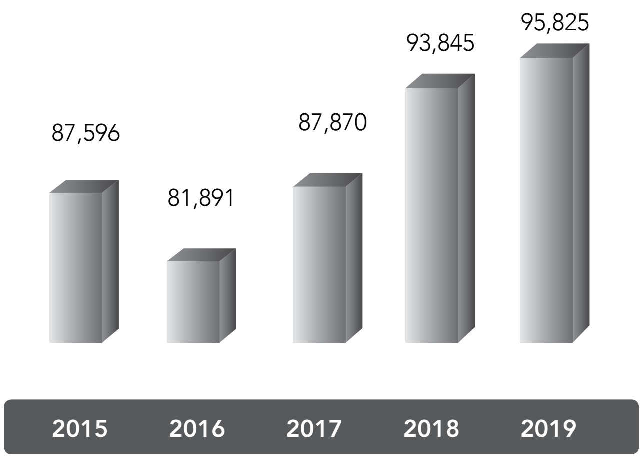
See Hup had on 28 June 2019 announced that it is increasing its investment in Maruzen SH Logistics Sdn Bhd ("MSHL"), an associate company operating its mainly sea freight forwarding business in Johor Bahru, by RM4.4 million while retaining its equity interest at 40%. Together with its other principal shareholder who had themselves invested an additional RM6.6 million, See Hup seeks to leverage on MSHL's venture into the third party logistics (3PL) warehousing business of handling and distribution of fast moving consumer products.

FINANCIAL HIGHLIGHTS

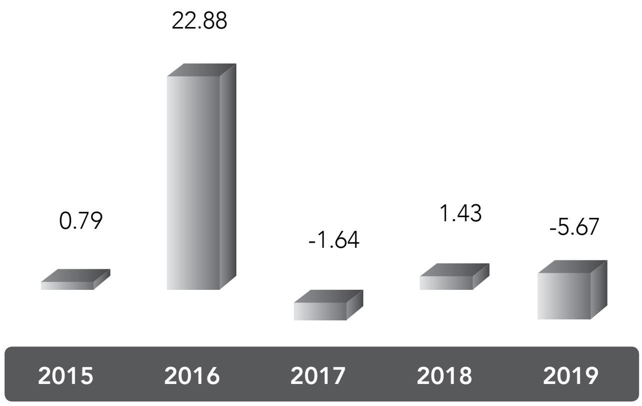
Five Years of Financial Highlights

	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000
Revenue	87,596	81,891	87,870	93,845	95,825
Profit/(Loss) Before Taxation	1,998	11,756	89	1,830	(4,375)
Profit/(Loss) After Taxation	1,008	11,335	(321)	1,297	(4,819)
Profit/(loss) Attributable to Owners of the Company	411	11,072	(856)	846	(4,562)
Shareholders' Fund	59,104	68,594	66,327	88,064	81,988
Basic Earnings/(Loss) Per Share (Sen)	0.79	22.88	(1.64)	1.43	(5.67)
Net Assets Per share attributable to ordinary equity holders of the parent(Sen)	114.90	132.01	126.94	109.51	101.94

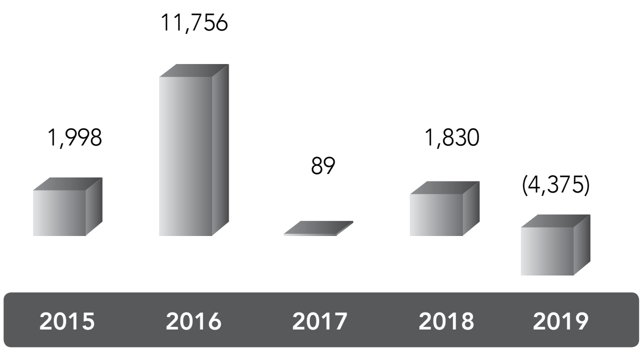
Revenue (RM'000)



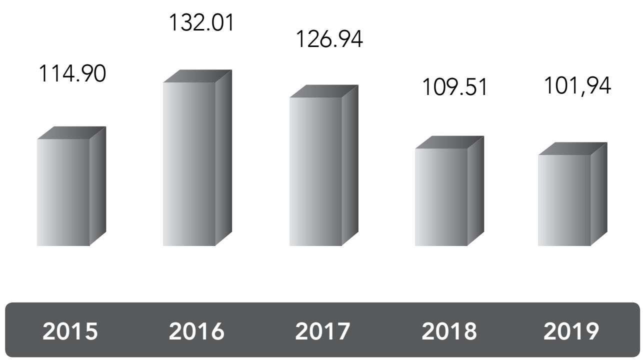
Basic Earnings/(Loss) Per Share (Sen)



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



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



FINANCIAL STATEMENTS

DIRECTORS' REPORT

SEE HUP CONSOLIDATED BERHAD
(Incorporated in Malaysia)

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 2019.

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
(Loss)/Profit for the financial year	(4,819,104)	1,273,757
Attributable to:		
Owners of the parent	(4,561,509)	1,273,757
Non-controlling interests	(257,595)	-
	(4,819,104)	1,273,757

Reserves and Provisions

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

Dividends

Since the end of the previous financial year, the Company paid an interim single-tier dividend of RM0.018 per share, totalling RM1,440,959 in respect of the financial year ended 31 March 2019 on 28 January 2019.

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

DIRECTORS' REPORT (CONT'D)

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Treasury Shares

As at 31 March 2019, the Company held 373,000 treasury shares out of the total 80,426,031 issued ordinary shares. Further relevant details are disclosed in Note 17 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.

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	
Dato' Teoh Hai Hin	
Lee Hean Teik	
Jamaliah Binti Haji Hassan	
Khoo Teng Lye	
Lai Yew Chong	
Lee Hean Beng	
Lee Hean Seng	
Lee Kean Leng	(Appointed on 3.4.2018)
Lee Yee Huei	
Lee Yee Ping	(Appointed on 3.4.2018)
Leong Lee Shan	
Li Chau Ging	
Goh Boon Koon	(Resigned on 2.4.2018)
Goh Boon Leong	(Resigned on 2.4.2018)

DIRECTORS' REPORT (CONT'D)

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 Chun Huat	
Lim Weng Nam	
Ng Thor Fung	
Prasit Runghapha	
Surasit Santiwarakom	
Teh Bee Ling	
Teoh Huan Shim	(Appointed on 23.5.2018)
Tong Wei Wei	
Ooi Boon Ewe	(Resigned on 10.5.2019)

** 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 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 1.4.2018	**Bought**	**Sold**	**At 31.3.2019**
Interests in the Company				
Direct interests				
Lee Chor Min	600,000	-	-	600,000
Lee Hean Huat				
- Own	774,530	-	-	774,530
- Others #	1,896,000	-	-	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	88,000	-	(88,000)	-
Deemend interests				
Lee Hean Huat				
- Own	8,570,594	792,500	-	9,363,094
- Others #	678,900	50,000	-	728,900

DIRECTORS' REPORT (CONT'D)

Directors' Interests in Shares (Cont'd)

The interests and deemed interests in the shares 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 1.4.2018	**Bought**	**Sold**	**At 31.3.2019**
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

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

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 Director 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.

DIRECTORS' REPORT (CONT'D)

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 write 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.

DIRECTORS' REPORT (CONT'D)

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 their 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 disclosed in Note 25 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT (CONT'D)

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 19 July 2019.

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 55 to 173 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 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 19 July 2019.

LEE CHOR MIN	LEE HEAN HUAT

PENANG

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act, 2016

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 55 to 173 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 19 July 2019)

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 2019 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 55 to 173.

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 2019, 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.

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

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
Impairment of trade receivables The carrying amount of the Group's trade receivables was amounted to RM24,028,122. 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*.

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

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.

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

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.

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Other Matters

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

UHY
Firm Number: AF 1411
Chartered Accountants

LIM GE RU
Approved Number: 03360/03/2020 J
Chartered Accountant

PENANG
19 July 2019

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	66,509,999	34,226,558	-	-
Investment properties	5	22,049,518	22,057,030	-	-
Goodwill on consolidation	6	704,273	-	-	-
Investments in subsidiary companies	7	-	-	38,366,860	30,270,493
Investments in associates	8	6,141,635	2,854,612	4,458,226	965,432
Other investments	9	81,200	182,482	-	101,282
Amount due from subsidiary companies	13	-	-	34,185,574	-
		95,486,625	59,320,682	77,010,660	31,337,207
Current assets					
Inventories	10	628,731	136,698	-	-
Trade receivables	11	24,028,122	24,185,395	-	-
Other receivables	12	3,627,696	11,313,667	17,556	8,253,089
Amount due from subsidiary companies	13	-	-	11,347,167	48,903,322
Tax recoverable		689,292	560,926	-	13,490
Deposits, cash and bank balances	14	14,857,344	26,919,355	11,991	2,227,053
		43,831,185	63,116,041	11,376,714	59,396,954
Total assets		139,317,810	122,436,723	88,387,374	90,734,161
EQUITY					
Share capital	15	81,109,469	81,109,469	81,109,469	81,109,469
Reserves	16	1,250,486	7,326,703	225,744	392,946
Treasury shares	17	(372,200)	(372,200)	(372,200)	(372,200)
Equity attributable to owners of the parent		81,987,755	88,063,972	80,963,013	81,130,215
Non-controlling interests		7,797,144	927,784	-	-
Total equity		89,784,899	88,991,756	80,963,013	81,130,215

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
LIABILITIES					
Non-current liabilities					
Loans and borrowings	18	18,796,280	9,058,324	2,681,225	3,172,642
Deferred tax liabilities	19	1,726,761	1,862,487	-	-
		20,523,041	10,920,811	2,681,225	3,172,642
Current liabilities					
Loans and borrowings	18	15,045,589	8,287,293	4,550,969	4,200,715
Trade payables	20	8,335,861	8,205,587	-	-
Other payables	21	5,608,447	6,031,276	172,246	2,230,589
Provision for taxation		19,973	-	19,921	-
		29,009,870	22,524,156	4,743,136	6,431,304
Total liabilities		49,532,911	33,444,967	7,424,361	9,603,946
Total equity and liabilities		139,317,810	122,436,723	88,387,374	90,734,161

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 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Revenue	22	95,825,060	93,844,462	1,372,122	1,440,000
Other operating income		2,061,090	4,479,451	907,764	527,957
Trading inventories sold		(7,623,039)	(4,881,150)	-	-
Staff costs	23	(25,170,810)	(22,781,805)	(101,000)	(74,000)
Depreciation		(7,667,207)	(6,469,413)	-	-
Net gain/(loss) on impairment of financial instruments		138,515	(30,259)	-	-
Operating expenses		(59,908,844)	(61,560,460)	(184,226)	(145,710)
(Loss)/Profit from operations		(2,345,235)	2,600,826	1,994,660	1,748,247
Finance costs	24	(1,823,916)	(677,758)	(546,902)	(14,706)
Share of results of associates, net of tax		(205,771)	(92,953)	-	-
(Loss)/Profit before tax	25	(4,374,922)	1,830,115	1,447,758	1,733,541
Taxation	26	(444,182)	(533,293)	(174,001)	(78,865)
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ profit for the financial year		(4,819,104)	1,296,822	1,273,757	1,654,676
(Loss)/Profit for the financial year representing total comprehensive (loss)/profit for the financial year attributable to:					
Owners of the parent		(4,561,509)	845,702	1,273,757	1,654,676
Non-controlling interests		(257,595)	451,120	-	-
		(4,819,104)	1,296,822	1,273,757	1,654,676
(Loss)/Earnings per share					
Basic (loss)/earnings per share (sen)	28	(5.70)	1.44		
Diluted (loss)/earnings per share (sen)	28	(5.70)	1.44		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Attributable to owners of the parent					
		Non-distributable		Distributable			
Group	**Note**	**Share capital RM**	**Treasury shares RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 April 2018, as previously reported		81,109,469	(372,200)	7,326,703	88,063,972	927,784	88,991,756
Effect of adopting MFRS 9	2(a)(i)	-	-	(60,479)	(60,479)	(8,521)	(69,000)
At 1 April 2018, as restated		81,109,469	(372,200)	7,266,224	88,003,493	919,263	88,922,756
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(4,561,509)	(4,561,509)	(257,595)	(4,819,104)
Transactions with owners:							
Dividends to owners of the Company	29	-	-	(1,440,959)	(1,440,959)	-	(1,440,959)
Acquisition of subsidiary companies	7(b)	-	-	-	-	7,102,206	7,102,206
Disposal of equity interest in subsidiary companies	7(d)	-	-	(13,270)	(13,270)	33,270	20,000
Total transactions with owners		-	-	(1,454,229)	(1,454,229)	7,135,476	5,681,247
At 31 March 2019		81,109,469	(372,200)	1,250,486	81,987,755	7,797,144	89,784,899

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

		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	15, 18	9,362,220	-	(4,360,844)	-	-	-	5,001,376	-	5,001,376
Exercise of warrants	15, 16	21,251,407	-	-	(3,180,483)	-	-	18,070,924	-	18,070,924
Transfer to retained earnings upon lapse of warrants	16	-	-	-	(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(c)	-	-	-	-	-	-	-	(334,858)	(334,858)
Disposal of equity interest in subsidiary companies	7(d)	-	-	-	-	-	(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 2019

		Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2018		81,109,469	(372,200)	392,946	81,130,215
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,273,757	1,273,757
Transactions with owners:					
Dividends to owners of the Company/ Total transactions with owners	29	-	-	(1,440,959)	(1,440,959)
At 31 March 2019		81,109,469	(372,200)	225,744	80,963,013

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		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	15, 18	9,362,220	-	(4,360,844)	-	-	5,001,376
Exercise of warrants	15, 16	21,251,407	-	-	(3,180,483)	-	18,070,924
Transfer to retained earnings upon lapse of warrants	16	-	-	-	(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

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**RM**	**RM**	**RM**	**RM**
Cash flows from operating activities					
(Loss)/Profit before tax		(4,374,922)	1,830,115	1,447,758	1,733,54
Adjustments for:					
Depreciation of:					
- property, plant and equipment		7,596,096	6,393,133	-	
- investment properties		71,111	76,280	-	
Dividends income		(20,122)	-	(1,372,122)	(1,440,00
Gain on disposal of:					
- property, plant and equipment		(282,596)	(1,160,261)	-	
- investment properties		(58,199)	-	-	
- other investments		-	(25,777)	-	
Finance costs		1,796,272	677,758	546,902	14,70
Finance income		(751,330)	(557,199)	(907,764)	(527,95
Loss on disposal of subsidiary company	7(c)	-	15,095	-	19,13
Property, plant and equipment written off		186	38	-	
Net (gain)/loss on impairment of financial instruments		(138,515)	30,259	-	
Share of results of associates		205,771	92,953	-	
Unrealised loss on foreign exchange		20,289	45,062	-	
Operating profit/(loss) before working capital changes		4,064,041	7,417,456	(285,226)	(200,58
Changes in working capital:					
Inventories		(492,033)	(96,718)	-	
Receivables		8,070,529	(10,556,903)	120,970	(8,234,30
Payables		808,898	245,109	32,492	15
Cash generated from/ (used in) operations		12,451,435	(2,991,056)	(131,764)	(8,434,73

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Cash generated from/ (used in) operations (Cont'd)		12,451,435	(2,991,056)	(131,764)	(8,434,735)
Dividends received		-	-	1,372,122	1,440,000
Tax paid		(1,204,160)	(763,947)	(150,719)	(37,361)
Tax refund		523,013	-	10,130	-
Net cash from/ (used in) operating activities		11,770,288	(3,755,003)	1,099,769	(7,032,096)
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(c)	(6,833,480)	(2,789,241)	-	-
Acquisition of investment properties	5	(320,400)	(88,598)	-	-
Net cash outflows arising from acquisition of subsidiary companies	7(b)	(7,287,538)	-	-	-
Acquistion of associates companies	8	(3,391,512)	-	(3,391,512)	-
Dividends received		20,122	-	-	-
Interest received		751,330	557,199	907,764	527,957
Proceeds from disposal of:					
- subsidiary company, net of cash	7(c)	-	(324,006)	-	378,000
- shares to non-controlling interest	7(d)	20,000	55,000	-	-
- other investments		-	59,177	-	-
- property, plant and equipment		492,985	1,718,904	-	-
- investment properties		315,000	-	-	-
Net cash (used in)/from investing activities		(16,233,493)	(811,565)	(2,483,748)	905,957

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Cash advanced from/(repayment to) subsidiary companies		-	-	3,459,380	(21,886,326)
Dividends paid		(3,602,398)	-	(3,602,398)	-
Net changes on bankers' acceptance		(541,000)	56,000	-	-
Interest paid		(1,796,272)	(663,052)	(546,902)	-
Interest paid on ICULS	18(c)	-	(235,484)	-	(235,484)
Net changes on revolving credits		3,480,186	(3,050,000)	-	-
Proceeds from conversion of ICULS		-	5,001,376	-	5,001,376
Proceeds from exercise of warrants		-	18,070,924	-	18,070,924
Repayment of finance lease liabilities		(3,045,417)	(2,196,543)	-	-
Drawndown of term loans		-	4,000,000	-	4,000,000
Repayment of term loans		(3,178,362)	(2,089,980)	(600,354)	-
Net cash (used in)/from financing activities		(8,683,263)	18,893,241	(1,290,274)	4,950,490
Net (decrease)/increase in cash and cash equivalents		(13,146,468)	14,326,673	(2,674,253)	(1,175,649)
Cash and cash equivalents at the beginning 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		10,328,638	23,475,106	(3,820,557)	(1,146,304)
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	14	6,261,844	6,635,423	11,991	2,227,053
Short-term fund deposits	14	8,595,500	20,283,932	-	-
Bank overdrafts	18	(4,528,706)	(3,444,249)	(3,832,548)	(3,373,357)
		10,328,638	23,475,106	(3,820,557)	(1,146,304)

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 was located at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A, Jalan Sultan Ahmad Shah,10050 Penang. With effect from 7 January 2019, the Company's registered office has been relocated to 170-09-01, Livingston Tower, Jalan Agryll, George Town, 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 ("IFRSs") 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 new MFRSs, interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 new MFRSs, interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year: (Cont'd)

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property

Annual Improvements to MFRSs 2014 - 2016 Cycle:
- Amendments to MFRS 1
- Amendments to MFRS 128

The adoption of the new MFRSs, interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

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

The adoption of MFRS 9 resulted in changes in accounting policies and adjustments to the financial statements.

The accounting policies that relate to the recognition, classification, measurement and derecognition of financial instruments and impairment of financial assets are amended to comply with the provisions of this Standard, while the hedge accounting requirements under this Standard are not relevant to the Group and to the Company.

The Group and the Company applied MFRS 9 retrospectively, and have elected not to restate the comparative periods in the financial year of initial adoption as permitted under MFRS 9 transitional provision. The impact arising from MFRS 9 adoption were included in the opening retained earnings at the date of initial application, 1 April 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

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

(a) Classification of financial assets and liabilities

MFRS 9 contains three principal classification categories for financial assets: measured at amortised cost ("AC"), fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") and replaces the existing MFRS 139 *Financial Instruments: Recognition and Measurement* categories of loans and receivables, held-to-maturity and available-for-sale. Classification under MFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flows characteristics.

Unquoted equity instruments previously carried at cost less impairment loss that classified as available-for-sale financial assets are classified and measured as equity instruments designated at FVTOCI beginning 1 April 2018. The Group elected to classify irrevocably its unquoted equity instruments under this category at the date of initial application as it intends to hold these investments for the foreseeable future.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. There were no changes to the classification and measurement of financial liabilities to the Group and to the Company.

(b) Impairment

MFRS 9 requires impairment assessments to be based on an Expected Credit Loss ("ECL") model, replacing the incurred loss model under MFRS 139. The Group and the Company required to record ECL on all of its debt instruments, loans and receivables, either on a 12-months or lifetime basis. The Group and the Company applied the simplified approach and record lifetime expected losses on all receivables. Based on readily information as at the date of this report, the Group and the Company do not expect any significant increase in impairment losses.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

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

(c) Effect of changes in classification and measurement of financial assets on 1 April 2018

	As at 31.3.2018	Re-measurement	Reclassification to MFRS 9	
			AC	**FVTOCI**
	RM	**RM**	**RM**	**RM**
MFRS 139 measurement category				
Group				
Financial assets				
Loans and receivables				
Trade receivables	24,185,395	(69,000)	24,116,395	-
Other receivables which are financial assets	9,579,371	-	9,579,371	-
Deposits, cash and bank balances	26,919,355	-	26,919,355	-
	60,684,121	(69,000)	60,615,121	-
Available-for-sale				
Other investments				
- Unquoted shares	182,482	-	-	182,482

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, interpretation and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

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

(c) Effect of changes in classification and measurement of financial assets on 1 April 2018 (Cont'd)

	As at 31.3.2018	Re-measurement	Reclassification to MFRS 9	
			AC	FVTOCI
	RM	RM	RM	RM
MFRS 139 measurement category				
Company				
Financial assets				
Loans and receivables				
Other receivables which are financial assets	8,248,844	-	8,248,844	-
Amount due from subsidiary companies	48,903,322	-	48,903,322	
Deposits, cash and bank balances	2,227,053	-	2,227,053	-
	59,379,219	-	59,379,219	-
Available-for-sale				
Other investments				
- Unquoted shares	101,282	-	-	101,282

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

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

(d) Effect on impairment allowances on 1 April 2018

	Group RM
Impairment of financial assets	
Balances under MFRS 139 as at 31 March 2018	2,275,825
Impairment losses on trade receivables	69,000
Balances under MFRS 9 as at 1 April 2018	2,344,825

(e) Impact arising from the adoption of MFRS 9 on the Group's financial statements:

Statements of Financial Position

	31.3.2018 RM	MFRS 9 adjustments RM	1.4.2018 RM
Group			
Trade receivables	24,185,395	(69,000)	24,116,395
Retained earnings	7,326,703	69,000	7,395,703

There is no financial impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the new MFRSs, interpretations and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for: (Cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a five-step model that will apply to recognition of revenue arising from contracts with customers, and provide a more structured approach in measuring and recognising revenue. 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.

The Group and the Company adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, MFRS 15 can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date.

The adoption of MFRS 15 has no material financial impact other than the disclosures made in the financial statements.

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 for the Company:

		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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 for the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
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		1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 abovementioned new MFRSs, new interpretations and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

<u>MFRS 16 *Leases*</u>

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provision of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

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:

Useful lives of property, plant and equipment and investment properties

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 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of goodwill on consolidation

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 to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 6.

Deferred tax assets

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 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 19.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgements, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

Impairment of trade receivables

The Group reviews the recoverability of its receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The customer's credit worthiness is evaluated by reviewing, amongst others, the Group's historical collection experience. The carrying amounts at the reporting date for trade receivables are disclosed in Note 11.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 34(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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 2019, the Group and the Company have tax recoverable and tax payable of RM689,292 and RM19,973 (2018: RM560,926 and RMNil) and RMNil and RM19,921 (2018: RM13,490 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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 of the reporting period in which the combination 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 9 *Financial Instruments* 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.

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(m)(i) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses 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 (i.e. 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(m)(i) to the financial statements on impairment of non-financial assets.

(b) Investments 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates (Cont'd)

An associate is accounted for either at cost or 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.

Profits 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.

The requirement of MFRS 136 *Impairment of Assets* are applied 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 as a single asset 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.

In the Company's separate financial statements, investments in associates 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(m)(i) to the financial statements on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(c) 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.

(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(m)(i) to the financial statements on impairment of non-financial assets.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 installation are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 lands	Over the remaining lease period
Freehold and leasehold 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 statements 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. Freehold buildings under construction are 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%

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(f) Investment properties (Cont'd)

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(m)(i) 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-occupied 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

Policy applicable from 1 April 2018

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables and other investments measured at fair value through other comprehensive income.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

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

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Policy applicable from 1 April 2018 (Cont'd)

(b) Financial assets at fair value through other comprehensive income (Cont'd)

Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value adjustment reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Policy applicable from 1 April 2018 (Cont'd)

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 and sales of financial assets are recognised or 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 where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

Policy applicable before 1 April 2018

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

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: (Cont'd)

(ii) Available-for-sale financial assets (Cont'd)

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.

(h) Financial liabilities

Policy applicable from 1 April 2018

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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.

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) Financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities comprise 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. Loans and 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

(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.

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) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

- The best estimate of the expenditure required to settle the present obligation at the reporting date; and
- The amount initially recognised less cumulative amortisation.

Liabilities arising from financial guarantees are presented together with other provisions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(j) 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.

(k) Inventories

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

Cost of inventories comprise 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.

(l) Cash and cash equivalents

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

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

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.

(ii) Financial assets

Policy applicable from 1 April 2018

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable from 1 April 2018 (Cont'd)

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

Policy applicable before 1 April 2018

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.

<u>Financial assets carried at amortised cost</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

Financial assets carried at amortised cost (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(m) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Policy applicable before 1 April 2018 (Cont'd)

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.

(n) 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.

3. Significant Accounting Policies (Cont'd)

(o) 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.

(p) 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 the end of each 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(q) 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.

(r) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in the or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(r) Revenue recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources (Cont'd)

(b) Rendering of services

Revenue from services and management fee are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(c) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work to-date, certified by professional consultants.

(ii) 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.

(iii) Dividend income

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

(iv) Interest income

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(s) 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.

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.

(t) 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. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(t) 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.

(u) 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.

(v) 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.

(w) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(w) Construction contracts (Cont'd)

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending to their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group represents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. Property, Plant and Equipment

Group	Freehold land RM	Leasehold lands 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
2019										
Cost										
At 1 April 2018	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
Acquisitions through business combination	-	10,000,000	-	16,000,000	-	-	-	-	222,899	26,222,899
Additions	-	-	-	-	10,111,014	1,410,617	419,170	-	2,240,418	14,181,219
Disposals	-	-	-	-	(2,493,183)	(29,247)	(70,697)	-	-	(2,593,127)
Written off	-	-	-	-	(873,960)	(3,854,371)	(385,198)	(42,068)	-	(5,155,597)
At 31 March 2019	1,160,542	23,110,213	729,987	19,828,823	81,855,323	5,686,175	3,183,620	505,687	2,463,317	138,523,687
Depreciation and impairment losses										
At 1 April 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
Acquisition through business combination	-	120,773	-	193,233	-	-	-	-	-	314,006
Charge for the financial year	-	498,797	8,691	572,977	5,711,845	327,565	380,669	95,552	-	7,596,096
Disposals	-	-	-	-	(2,310,051)	(16,473)	(56,214)	-	-	(2,382,738)
Written off	-	-	-	-	(873,938)	(3,854,341)	(385,071)	(42,061)	-	(5,155,411)
At 31 March 2019										
Accumulated depreciation	-	1,481,126	561,101	1,774,318	61,008,147	4,575,861	2,266,987	277,306	-	71,944,846
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	1,481,126	561,101	1,774,318	61,076,989	4,575,861	2,266,987	277,306	-	72,013,688
Carrying amount										
At 31 March 2019	1,160,542	21,629,087	168,886	18,054,505	20,778,334	1,110,314	916,633	228,381	2,463,317	66,509,999

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Group	Freehold land RM	Leasehold lands 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 2018	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 losses										
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 18 to the financial statements are as follows:

	Group	
	2019	**2018**
	RM	**RM**
Leasehold lands	15,481,281	5,988,117
Leasehold buildings	15,342,995	-
Motor vehicles	1,033,268	1,645,926
	31,857,544	7,634,043

(b) Assets held under finance leases

As at 31 March 2019, the carrying amount of leased motor vehicles of the Group was RM11,171,209 (2018: RM5,370,819).

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

(c) Purchase of property, plant and equipment

The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under finance lease financing and cash payments are as follows:

	Group	
	2019	**2018**
	RM	**RM**
Aggregate costs	14,181,219	5,283,815
Less: Finance lease financing	(7,347,739)	(2,494,574)
Cash payments	6,833,480	2,789,241

(d) Leasehold lands and buildings

The remaining lease term of leasehold lands and buildings are 33 - 54 years (2018: 43 - 56 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investment Properties

	Group	
	2019	**2018**
	RM	**RM**
Cost		
At 1 April	22,722,810	22,634,212
Additions	320,400	88,598
Disposals	(344,700)	-
At 31 March	22,698,510	22,722,810
Accumulated depreciation		
At 1 April	665,780	589,500
Charge for the financial year	71,111	76,280
Disposals	(87,899)	-
At 31 March	648,992	665,780
Carrying amounts		
At 31 March	22,049,518	22,057,030
Included in the above are:		
At cost		
Freehold lands	19,194,693	19,194,693
Freehold buildings	2,482,959	2,482,959
Commercial properties	611,860	956,560
Capital work-in-progress	408,998	88,598
	22,698,510	22,722,810
Fair value of investment properties	65,916,901	37,045,233

(a) Investment properties under leases

Investment properties comprise a number of freehold lands, freehold buildings and commercial properties that are leased to third parties. Each of the leases contains a cancellable period ranging from 1 to 5 years. Subsequent renewals are negotiated with the lessee on an average renewal period of 1 year. No contingent rents are charged.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investment Properties (Cont'd)

(b) Fair value basis of investment properties

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 - RM387)	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 year.

(c) Income and expenses recognised in profit or loss

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

	Group	
	2019	**2018**
	RM	**RM**
Rental income	53,800	46,200
Direct operating expenses:		
- income generating investment properties	(8,881)	(13,029)
- non-income generating investment properties	(78,579)	(117,700)

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Investment Properties (Cont'd)

(e) Investment properties pledged as securities to licensed banks

Investment properties of the Group amounting to RM14,898,189 (2018: RM14,529,190) have been pledged to secure banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

6. Goodwill on Consolidation

	Group	
	2019	**2018**
	RM	**RM**
Cost		
At 1 April	4,164,929	4,164,929
Addition through business combination	704,273	-
	4,869,202	4,164,929
Less: Accumulated impairment losses	(4,164,929)	(4,164,929)
At 31 March	704,273	-

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

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2019
	RM
Transportaion and logistics services	108,321
Construction contracts	595,952
	704,273

(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") to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. Goodwill on Consolidation (Cont'd)

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

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

(i) Cash flows for 5 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 5%.

(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 5% to 10% 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	
	2019	**2018**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	46,249,140	38,152,773
Less: Accumulated impairment losses	(7,882,280)	(7,882,280)
	38,366,860	30,270,493

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	2018	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	2018	Principal activities
Bentara Dermaga Sdn. Bhd. ("BDSB")	Malaysia	80.3	80.3	Provision of bulk cargo handling services and hiring of plant/machinery
Agriplex (M) Sdn. Bhd. ("AGSB")	Malaysia	70	70	Forwarding services and transport services provider
Mahajaya View Sdn. Bhd.	Malaysia	100	100	Investment holding
Hot Colour Furniture Sdn. Bhd. ("HCF")	Malaysia	51	-	Letting out of building, plant and machineries and transportation agent
SH Moment Builder Sdn. Bhd. ("SHMB")	Malaysia	51	-	Construction of building N.E.C other transportation support activities N.E.C
Held through Limsa Ekuiti Sdn. Bhd.				
SH Worldwide Logistics Sdn. Bhd. ("SHWL")	Malaysia	93.8	97.9	Air freight forwarder and transport services provider
SH Supply Chain Sdn. Bhd. ("SHSC")	Malaysia	88.8	88.8	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

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

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

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2019	2018	2019	2018	2019	2018
	%	%	RM	RM	RM	RM
MMSB	23.2%	23.2%	(58,198)	(29,175)	123,903	182,101
SHPL	43.5%	43.5%	(112,336)	(141,804)	1,020,160	1,135,237
SHL	49.9%	49.9%	(24,191)	(22,835)	1,684,874	1,709,065
SHGF	17.0%	17.0%	68,053	64,483	554,653	487,875
BDSB	19.7%	19.7%	(62,391)	(5,409)	77,333	140,649
PPSB *	-	-	-	14,834	-	-
AGSB	30.0%	30.0%	627,977	332,697	(2,304,960)	(2,932,607)
SHH	60.4%	60.4%	38,822	246,620	165,581	129,782
SHWL	6.2%	2.1%	786	1,809	44,885	11,056
SHSC	11.2%	11.2%	(29,448)	(10,100)	35,178	64,626
HCF	49.0%	-	(254,539)	-	6,584,240	-
SHMB	49.0%	-	(452,130)	-	(188,703)	-
Total			(257,595)	451,120	7,797,144	927,784

* Prosper Power Sdn. Bhd. ("PPSB") being disposed off on 15 August 2017.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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	AGSB RM
2019						
Non-current assets	85,517	5,410,325	1,754,193	862,609	11,370	3,521,206
Current assets	844,413	3,272,896	2,967,911	4,018,523	530,871	4,430,162
Non-current liabilities	-	(938,030)	(117,366)	(23,529)	-	-
Current liabilities	(394,769)	(5,399,996)	(1,228,192)	(1,594,939)	(149,261)	(15,634,567)
Net assets/(liabilities)	535,161	2,345,195	3,376,546	3,262,664	392,980	(7,683,199)

	SHH RM	SHWL RM	SHSC RM	HCF RM	SHMB RM
Non-current assets	2,408,039	275,407	32,401	25,626,921	352,313
Current assets	2,464,917	3,119,905	2,011,925	333,789	1,136,705
Non-current liabilities	(280,227)	(50,883)	-	(9,291,046)	-
Current liabilities	(3,815,091)	(2,626,625)	(1,731,633)	(3,232,439)	(1,874,126)
Net assets/(liabilities)	777,638	717,804	312,693	13,437,225	(385,108)

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 to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

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

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
2018						
Non-current assets	187,414	5,231,222	2,031,504	902,684	8,904	3,681,763
Current assets	957,922	2,586,368	2,555,793	3,894,715	1,013,311	4,704,861
Non-current liabilities	(8,552)	(716,000)	(206,405)	(49,695)	-	-
Current liabilities	(350,280)	(4,491,851)	(955,867)	(1,877,851)	(307,488)	(18,161,980)
Net assets/(liabilities)	786,504	2,609,739	3,425,025	2,869,853	714,727	(9,775,356)

	SHH RM	SHWL RM	SHSC RM
Non-current assets	1,247,396	228,975	26,581
Current assets	3,143,709	3,131,129	972,542
Non-current liabilities	(226,877)	(38,770)	-
Current liabilities	(3,445,812)	(2,790,573)	(424,674)
Net assets/(liabilities)	718,416	530,761	574,449

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 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	AGSB RM
2019						
Revenue	3,540,512	11,824,932	5,667,596	11,978,973	1,156,466	13,495,287
Profit/(Loss) for the financial year	(251,343)	(258,224)	(48,479)	400,311	(317,047)	2,093,257
Total comprehensive income/(loss)	(251,343)	(258,224)	(48,479)	400,311	(317,047)	2,093,257

	SHH RM	SHWL RM	SHSC RM	HCF RM	SHMB RM
Revenue	8,466,285	12,764,863	2,858,918	1,004,400	1,556,736
Profit/(Loss) for the financial year	64,222	12,562	(261,756)	(519,468)	(922,715)
Total comprehensive income/(loss)	64,222	12,562	(261,756)	(519,468)	(922,715)

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 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 (Cont'd)

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
2018						
Revenue	3,541,525	10,728,241	5,528,205	11,809,539	2,859,947	12,475,300
Profit/(Loss) for the financial year	(126,028)	(337,962)	(45,763)	379,311	(27,487)	1,108,987
Total comprehensive income/(loss)	(126,028)	(337,962)	(45,763)	379,311	(27,487)	1,108,987

	PPSB RM	SHH RM	SHWL RM	SHSC RM
Revenue	-	8,740,569	10,804,193	451,018
Profit/(Loss) for the financial year	-	407,975	86,842	(89,780)
Total comprehensive income/(loss)	32,247	407,975	86,842	(89,780)

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 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

2019	**MMSB** **RM**	**SHPL** **RM**	**SHL** **RM**	**SHGF** **RM**	**BDSB** **RM**	**AGSB** **RM**
Net cash from/(used in) operating activities	64,203	(653,297)	(164,941)	281,229	(1,061)	249,765
Net cash from/(used in) investing activities	(2,197)	(22,724)	49,500	23,679	(5,280)	(1,206,973)
Net cash from/(used in) financing activities	(2,395)	699,399	(121,176)	(41,105)	(2,395)	(1,520,158)
Net increase/(decrease) in cash and cash equivalents	59,611	23,378	(236,617)	263,803	(8,736)	(2,477,366)

	SHH **RM**	**SHWL** **RM**	**SHSC** **RM**	**HCF** **RM**	**SHMB** **RM**
Net cash from/(used in) operating activities	2,231,323	284,764	(612,921)	262,804	(55,638)
Net cash from/(used in) investing activities	(1,625,750)	(146,177)	(13,630)	(159,596)	(367,395)
Net cash from/(used in) financing activities	(370,123)	64,829	879,745	(245,679)	-
Net increase/(decrease) in cash and cash equivalents	235,450	203,416	253,194	(142,471)	(423,033)

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 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)

2018	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
Net cash from/(used in) operating activities	(133,881)	(169,596)	320,587	588,304	(121,504)	1,651,469
Net cash from/(used in) investing activities	(4,699)	(58,152)	211,035	(89,630)	116,000	(301,493)
Net cash from/(used in) financing activities	742	-	(340,728)	(52,165)	-	(1,087,752)
Net increase/(decrease) in cash and cash equivalents	(137,838)	(227,748)	190,894	446,509	(5,504)	262,224

	SHH RM	SHWL RM	SHSC RM
Net cash from/(used in) operating activities	858,716	385,749	(92,439)
Net cash from/(used in) investing activities	(229,705)	(115,281)	(29,120)
Net cash from/(used in) financing activities	(714,232)	(47,770)	203,381
Net increase/(decrease) in cash and cash equivalents	(85,221)	222,698	81,822

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies

Hot Colour Furniture Sdn. Bhd.

On 11 April 2018, the Company has completed its acquisition of 51% issued and paid up capital in Hot Colour Furniture Sdn. Bhd. ("HCF") for a cash consideration of RM7,713,867. The principal activities of the Company consist of letting out building, plant and machineries and transportation agent. The acquisition of HCF would enable the group to improve its logistics business.

SH Moment Builder Sdn. Bhd.

On 8 May 2018, the Company has completed its acquisition of 51% issued and paid up capital in SH Moment Builder Sdn. Bhd. ("SHMB") for a cash consideration of RM382,500. The principal activities of the Company consist of construction of building The New Engineering Contract ("N.E.C."), other transportation support activities N.E.C. The acquisition of SHMB would enable the Group to diversify its earning base so as to strengthen the financial position of the Group without relying solely on its existing business.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	SHMB	**HCF**	**Total**
	RM	**RM**	**RM**
Cash consideration/ Total consideration transferred	382,500	7,713,867	8,096,367

Fair value of identifiable assets acquired and liabilities assumed

	SHMB	**HCF**	**Total**
	RM	**RM**	**RM**
Property, plant and equipment	-	25,908,893	25,908,893
Trade and other receivables	-	178,061	178,061
Tax recoverable	-	7,154	7,154
Cash and cash equivalents	593,538	215,291	808,829
Trade and other payables	(55,931)	(1,004,057)	(1,059,988)
Loans and borrowings	-	(11,348,649)	(11,348,649)
Total identifiable assets and liabilities	537,607	13,956,693	14,494,300

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

Fair value of identifiable assets acquired and liabilities assumed (Cont'd)

The gross carrying amount of trade and other receivables approximate their fair values. None of the receivables were impaired and the full contractual amounts were expected to be collected.

Net cash outflows arising from acquisition of subsidiary companies

	SHMB RM	HCF RM	Total RM
Purchase consideration settled in cash	382,500	7,713,867	8,096,367
Cash and cash equivalents acquired	(593,538)	(215,291)	(808,829)
	(211,038)	7,498,576	7,287,538

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	SHMB RM	HCF RM	Total RM
Total consideration transferred	382,500	7,713,867	8,096,367
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	263,428	6,838,778	7,102,206
Fair value of identifiable assets acquired and liabilities assumed	(537,607)	(13,956,693)	(14,494,300)
Goodwill	108,321	595,952	704,273

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary companies into the Group's existing business.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of RM19,360 related to external legal fees. The expenses have been included in operating expenses in the profit or loss.

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies has contributed RM2,561,136 and RM1,442,183 to the Group's revenue and loss for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year from its continuing operations would have been RM2,561,136 and RM1,442,183 respectively.

There was no acquisition in the previous financial year.

(c) Disposal of subsidiary company

In previous financial year, 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 recoverable	5,164
Cash and bank balances	702,006
Trade and other payables	(5,249)
Deferred tax liabilities	(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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. Investments in Subsidiary Companies (Cont'd)

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

2019

SH Worldwide Logistics Sdn. Bhd.

On 19 November 2018, Limsa Ekuiti Sdn. Bhd., a wholly-owned subsidiary company of the Group, disposed additional 4.17% equity interest in SH Worldwide Logistics Sdn. Bhd. for RM20,000 in cash, decreasing its ownership from 97.9% to 93.8%. The carrying amount of SH Worldwide Logistics Sdn. Bhd.'s net assets in the Group's financial statements on the date of disposal was RM705,242. The Group recognised increase in non-controlling interest of RM33,270 and decrease in retained earnings of RM13,270.

2018

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.

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

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Associates

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
At cost					
Unquoted shares in Malaysia	(b)	4,956,944	1,565,432	4,356,944	965,432
Transfer from other investments	(a)	167,685	-	167,685	-
Unquoted shares outside Malaysia		1,075,866	1,075,866	-	-
		6,200,495	2,641,298	4,524,629	965,432
Share of post-acquisition reserves		7,543	213,314	-	-
		6,208,038	2,854,612	4,524,629	965,432
Accumulated impairment losses:					
Transfer from other investments	(a)	(66,403)	-	(66,403)	-
Balance at the end of financial year		6,141,635	2,854,612	4,458,226	965,432

(a) On 18 January 2019, the Company completed acquisition of 1,674,342 ordinary shares in Kimsar Sdn. Bhd. ("KSB") representing 45.8% equity interest in the issued and paid-up share capital in KSB for a total consideration of RM2,511,512. The initial acquisition was in addition to its original investment of 1.84% in Kimsar with cost of investment of RM167,685 held since 2 November 2004. Upon completion of the acquisition, the Company equity holding in Kimsar increased from 1.84% to 47.64%. KSB effectively became an associate.

(b) On 24 September 2018, the Company acquired 694,414 ordinary shares in Kim Ma Supertiles Sdn. Bhd. ("KMS") representing 7.65% equity interest in the total issued and paid-up share capital in KMS for a total consideration of RM400,000.

On 30 March 2019, the company acquired 480,000 preference shares in KMS for cash consideration of RM480,000. Upon completion of the acquired of preference share, the equity holding in KMS increased from 7.65% to 27.4%. KMS effectively became an associate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Associates (Cont'd)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2019	2018	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
Kimsar Sdn. Bhd. ("KSB") **^	Malaysia	47.6	-	Property development and investment holding
Kim Ma Supertiles Sdn. Bhd. ("KMS") ## ^	Malaysia	27.4	-	Investment holding
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
Held through Kimsar Sdn. Bhd.				
Iping United Development Sdn. Bhd. ("Iping") ** ^	Malaysia	47.6	-	Investment holding
Northen Malaya Reality Sdn. Bhd. ("NMR") ** ^	Malaysia	47.6	-	Investment holding

@ Financial year end 31 March.
Financial year end 31 August.
* Financial year end 30 September.
** Financial year end 31 December.
^ Associates not audited by UHY.

For the purpose of applying the equity method for associates with financial year end of 31 August, 30 September and 31 December, the last management financial statements up to 31 March of the associates have been used.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's 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	KSB RM	KMS RM	Total RM
2019								
Current assets	2,396,676	1,109,637	3,397,752	733,076	1,622,947	270,948	182,968	9,714,004
Non-current assets	802,239	20,432	314,085	3,711	43,318	6,706,823	2,629,193	10,519,801
Current liabilities	(3,601,428)	(259,051)	(1,768,876)	-	(242,653)	(246,480)	(105,185)	(6,223,673)
Non-currrent liabilities	-	-	(82,987)	(325,039)	-	-	-	(408,026)
Net assets/(liabilities)	(402,513)	871,018	1,859,974	411,748	1,423,612	6,731,291	2,706,976	13,602,106
Interests in associates	22.8%	49.0%	49.0%	50.0%	33.2%	47.6%	27.4%	
Group's share of net assets/(liabilities)	(91,773)	426,799	911,387	205,874	472,639	3,206,787	741,441	5,873,154
Reserves	465,586	-	-	-	-	-	95,052	560,638
Goodwill/ (negative goodwill)	319,007	(6,354)	(20,755)	11,662	-	(595,717)	-	(292,157)
Carrying amount of Group's interests in associates	692,820	420,445	890,632	217,536	472,639	2,611,070	836,493	6,141,635

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's 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
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 amount of Group's interests in associates	740,815	502,974	881,910	235,300	493,613	2,854,612

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Associates (Cont'd)

Summarised financial information of the Group's 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	KSB RM	KMS RM	Total RM
2019								
Profit/(loss) for the financial year/total comprehensive income/(loss) for the financial year	(210,467)	(149,610)	17,800	(35,526)	(63,175)	(3,659)	(158,843)	(603,480)
Included in the total comprehensive income:								
Revenue	6,467,402	766,781	8,302,975	72,250	1,686,858	-	187,882	17,484,148
2018								
Profit/(loss) for the financial year/total comprehensive income/(loss) for the financial year	(294,122)	(173,295)	170,526	13,078	1,884	-	-	(281,929)
Included in the total comprehensive income:								
Revenue	6,009,743	638,540	7,964,774	198,884	586,059	-	-	15,398,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Other Investments

	Unquoted shares in Malaysia RM
Group	
2019	
Non-current	
Financial assets measured at fair value through other comprehensive income	
At 1 April 2018	248,885
Transfer to investment in associates	(167,685)
At 31 March 2019	81,200
Movements in the allowance for impairment losses are as follows:	
At 1 April 2018	66,403
Transfer to investment in associates	(66,403)
At 31 March 2019	-
2018	
Non-current	
Available-for-sale financial assets	248,885
Less: Accumulated impairment losses	(66,403)
	182,482
Representing items:	
At cost less impairment losses	182,482
Company	
2019	
Non-current	
Financial assets measured at fair value through other comprehensive income	
At 1 April 2018	167,685
Transfer to investment in associates	(167,685)
At 31 March 2019	-
Movements in the allowance for impairment losses are as follows:	
At 1 April 2018	66,403
Transfer to investment in associates	(66,403)
At 31 March 2019	-
2018	
Non-current	
Available-for-sale financial assets	167,685
Less: Accumulated impairment losses	(66,403)
	101,282
Representing items:	
At cost less impairment losses	101,282

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Inventories

	Group	
	2019	**2018**
	RM	**RM**
Trading inventories	539,455	12,225
Spare parts and consumables	89,276	124,473
	628,731	136,698
Recognised in profit or loss:		
Inventories recognised as cost of sales	7,623,039	4,881,150

11. Trade Receivables

	Group	
	2019	**2018**
	RM	**RM**
Trade receivables	20,892,843	22,157,445
Amount due from associates	2,047,535	2,575,675
Amount due from shareholder of a subsidiary company	11,336	16,207
Companies in which certain Directors have substantial financial interests	3,254,236	1,711,893
	26,205,950	26,461,220
Less: Accumulated impairment losses	(2,177,828)	(2,275,825)
	24,028,122	24,185,395

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2018: 30 to 90 days) term. Other credit terms are assessed and approved on a case by case basis. 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 RM911,762 (2018: RM1,006,188) which bear interest at 2% (2018: 2%) per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Trade Receivables (Cont'd)

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

	Group	
	2019	2018
	RM	RM
At 1 January	2,275,825	2,468,402
Effect of adopting MFRS 9	69,000	-
At 1 January, restated	2,344,825	2,468,402
Impairment losses recognised	137,025	314,331
Amount written off	-	(158,197)
Amount recovered	(28,482)	-
Impairment losses reversed	(275,540)	(284,072)
Disposal of subsidiary company	-	(64,639)
At 31 December	2,177,828	2,275,825

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged anaylsis of trade receivables as at the end of the reporting period:

Group	Gross amount RM	Loss allowance RM	Net amount RM
2019			
Neither past due nor impaired	10,947,408	-	10,947,408
Past due not impaired:			
Less than 30 days	5,516,316	-	5,516,316
31 to 60 days	5,041,096	-	5,041,096
61 to 90 days	671,864	-	671,864
	22,176,684	-	22,176,684
Credit impaired:			
More than 90 days past due	1,954,938	(103,500)	1,851,438
Individual impaired	2,074,328	(2,074,328)	-
	26,205,950	(2,177,828)	24,028,122

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Trade Receivables (Cont'd)

The aged anaylsis of trade receivables as at the end of the reporting period: (Cont'd)

Group	Gross amount RM	Loss allowance RM	Net amount RM
2018			
Neither past due nor impaired	12,712,654	-	12,712,654
Past due not impaired:			
Less than 30 days	5,376,029	-	5,376,029
31 to 60 days	2,829,271	-	2,829,271
61 to 90 days	880,265	-	880,265
	21,798,219	-	21,798,219
Credit impaired:			
More than 90 days past due	2,387,176	-	2,387,176
Individual impaired	2,275,825	(2,275,825)	-
	26,461,220	(2,275,825)	24,185,395

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

As at 31 March 2019, trade receivables of RM13,080,714 (2018: RM11,472,741) 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 RM2,074,328 (2018: RM2,275,825), relate to customers that are in financial difficulties, and have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Other Receivables

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Amount due from associates	496,244	157,033	12,716	14,960
Companies in which certain Directors have substantial financial interests	500	-	-	-
Other receivables	778,864	8,767,162	-	8,233,884
Prepayments	1,544,165	1,734,296	-	4,245
Deposits	807,923	655,176	4,840	-
	3,627,696	11,313,667	17,556	8,253,089

Amount due from associates and companies in which certain Directors have substantial financial interests with non-interest bearing are unsecured and repayable on demand.

13. Amount Due from Subsidiary Companies

	Company	
	2019	2018
	RM	RM
Non-current		
Non-trade related		
Interest bearing	34,003,770	-
Non-interest bearing	181,804	-
	34,185,574	-
Current		
Non-trade related		
Interest bearing	-	37,647,816
Non-interest bearing	11,347,167	11,255,506
	11,347,167	48,903,322
	45,532,741	48,903,322

Amount due from subsidiary companies are unsecured, bear interest at 2.5% (2018: 2.5%) per annum and repayable on demand, except for the non-current portion which are not expected to be received within the next 12 months.

Amount due from subsidiary companies with non-interest bearing are unsecured and repayable on demand, except for the non-current portion which are not expected to be received within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Deposits, Cash and Bank Balances

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short-term fund deposits	8,595,500	20,283,932	-	-
Cash and bank balances	6,261,844	6,635,423	11,991	2,227,053
	14,857,344	26,919,355	11,991	2,227,053

The effective interest rates and maturities of short-term fund deposits of the Group as at the end of the reporting period range from 3.63% to 3.66% (2018: 3.65% to 4.10%) per annum and 1 month (2018: 1 month) respectively.

15. Share Capital

	Group and Company			
	Number of shares		Amount	
	2019 Units	2018 Units	2019 RM	2018 RM
Ordinary shares issued and fully paid:				
At 1 April	80,426,301	52,258,065	81,109,469	54,084,998
Discount on shares *	-	-	-	(3,589,156)
Conversion of ICULS	-	10,097,312	-	9,362,220
Warrants exercised	-	18,070,924	-	21,251,407
At 31 March	80,426,301	80,426,301	81,109,469	81,109,469

* 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.

In previous 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Share Capital (Cont'd)

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.

16. Reserves

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

(a) Warrants reserve

In previous financial year, warrants reserve represent reserve allocate to free detachable warrants issued with rights issue.

The Warrants was 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.

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

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

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 RM1.00 per share or such adjusted price in accordance with the provisions in the Deed Poll.

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

(b) Fair value reserve

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

(c) Retained earnings

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 3 September 2018, 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.

Group and Company

	2019 Number of ordinary shares Units	2019 Amount RM	2018 Number of ordinary shares Units	2018 Amount RM
At 1 April/ 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 (2018: 373,000 shares) remain unchanged.

18. Loans and Borrowings

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Secured					
Term loans	(a)	17,932,141	9,761,854	3,399,646	4,000,000
Finance lease liabilities	(b)	7,648,836	3,346,514	-	-
		25,580,977	13,108,368	3,399,646	4,000,000
Unsecured					
Bank overdrafts	(a)	4,528,706	3,444,249	3,832,548	3,373,357
Revolving credits	(a)	3,480,186	-	-	-
Bankers' acceptance	(a)	252,000	793,000	-	-
		33,841,869	17,345,617	7,232,194	7,373,357

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Loans and Borrowings (Cont'd)

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Non-current					
Term loans	(a)	14,581,432	7,207,171	2,681,225	3,172,642
Finance lease liabilities	(b)	4,214,848	1,851,153	-	-
		18,796,280	9,058,324	2,681,225	3,172,642
Current					
Term loans	(a)	3,350,709	2,554,683	718,421	827,358
Bankers' acceptance	(a)	252,000	793,000	-	-
Bank overdrafts	(a)	4,528,706	3,444,249	3,832,548	3,373,357
Revolving credits	(a)	3,480,186	-	-	-
Finance lease liabilities	(b)	3,433,988	1,495,361	-	-
		15,045,589	8,287,293	4,550,969	4,200,715
		33,841,869	17,345,617	7,232,194	7,373,357

(a) Bank borrowings

The term loans are secured by the followings:

(i) First party legal charge over the leasehold lands and buildings and investment properties of the subsidiary companies as disclosed in Notes 4 and 5 respectively 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;

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

(v) Corporate guarantee by related party of the Group; and

(vi) Joint and several guarantee by Directors of the subsidiary companies.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Loans and Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
Term loans	4.96 - 7.24	5.20 - 8.45	6.95	6.95
Bankers' acceptance	4.57 - 8.45	4.21 - 5.11	-	-
Bank overdrafts	5.25 - 7.45	4.94 - 7.45	7.45	7.45
Revolving credits	4.13 - 5.24	4.39 - 4.95	-	-
Finance lease liabilities	5.00 - 5.25	3.03 - 7.24	-	-

(b) Finance lease liabilities

	Group	
	2019	**2018**
	RM	**RM**
Minimum lease payments:		
Within one year	3,799,000	1,652,601
Later than one year and not later than two years	3,265,468	1,261,624
Later than two years and not later than five years	1,135,100	683,768
	8,199,568	3,597,993
Less: Future finance charges	(550,732)	(251,479)
Present value of minimum lease payments	7,648,836	3,346,514
Present value of minimum lease payments:		
Within one year	3,433,988	1,495,361
Later than one year and not later than two years	3,114,675	1,185,114
Later than two years and not later than five years	1,100,173	666,039
	7,648,836	3,346,514

The Group leases motor vehicles and computer under finance lease (Note 4). There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. Loans and Borrowings (Cont'd)

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

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 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	-	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Deferred Tax Liabilities

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deferred tax assets				
At 1 April	-	52,987	-	52,987
Equity component of ICULS	-	(52,987)	-	(52,987)
At 31 March	-	-	-	-

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deferred tax liabilities				
At 1 April	1,862,487	2,105,266	-	-
Recognised in profit or loss	(246,677)	(291,403)	-	-
Under provision in prior years	110,951	48,624	-	-
At 31 March	1,726,761	1,862,487	-	-

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Deferred tax assets	(1,388,131)	(1,119,123)	-	-
Deferred tax liabilities	3,114,892	2,981,610	-	-
	1,726,761	1,862,487	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Deferred Tax Liabilities (Cont'd)

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 2017	(52,987)	(1,384,241)	(284,670)	(1,721,898)
Recognised in profit or loss	52,987	915,963	(436,742)	532,208
Under provision in prior years	-	11,579	58,988	70,567
At 31 March 2018	-	(456,699)	(662,424)	(1,119,123)
Recognised in profit or loss	-	(339,072)	8,284	(330,788)
Under/(Over) provision in prior years	-	(92,088)	153,868	61,780
At 31 March 2019	-	(887,859)	(500,272)	(1,388,131)

Group	Accelerated capital allowance RM
Deferred tax liabilities	
At 1 April 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
Recognised in profit or loss	84,111
Under provision in prior years	49,171
At 31 March 2019	3,114,892

Company	ICULS RM
Deferred tax assets	
At 1 April 2017	(52,987)
Equity component of ICULS	52,987
At 31 March 2018/ At 31 March 2019	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. Deferred Tax Liabilities (Cont'd)

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Unutilised tax losses	14,369,607	13,965,998	-	-
Unabsorbed capital allowances	2,757,626	1,336,998	-	-
Other deductible temporary differences	790,368	596,702		
	17,917,601	15,899,698	-	-

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.

20. Trade Payables

	Group	
	2019	2018
	RM	RM
Trade payables	7,154,284	6,593,984
Amount due to associates	977,625	889,168
Amount due to shareholder of a subsidiary company	143,289	126,577
Amount due to related parties	60,663	595,858
	8,335,861	8,205,587

Credit terms of trade payables of the Group ranged from 7 to 90 days (2018: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Other Payables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Dividend payables	-	2,161,439	-	2,161,439
Other payables	807,005	527,272	2,642	150
Amount due to associates	117,606	45,889	-	-
Amount due to subsidiary company	-	-	70,604	-
Shareholders of a subsidiary company	1,083,167	100,000	-	-
Amount due to related parties	190,000	200,000	-	-
Deposits	250,855	43,055	-	-
Accruals	3,159,814	2,953,621	99,000	69,000
	5,608,447	6,031,276	172,246	2,230,589

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

22. Revenue

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers:				
- Sale of goods	17,316,813	5,065,092	-	-
- Rendering of services	76,197,908	87,147,808	-	-
- Construction contracts	379,339	-	-	-
	93,894,060	92,212,900	-	-
Revenue from other sources:				
- Dividends income	20,122	-	1,372,122	1,440,000
- Rental income from warehousing services	1,910,878	1,631,562	-	-
	1,931,000	1,631,562	1,372,122	1,440,000
	95,825,060	93,844,462	1,372,122	1,440,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Revenue (Cont'd)

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Timing of revenue recognition:				
At a point in time	93,514,721	92,212,900	-	-
Over time	379,339	-	-	-
Total revenue from contracts with customers	93,894,060	92,212,900	-	-

Breakdown of the Group's revenue from contracts with customers:

	Transportation and logistics services	Trading	Construction contracts	Total
	RM	RM	RM	RM
2019				
Major goods and services:				
Sale of goods	-	17,316,813	-	17,316,813
Rendering of services	76,197,908	-	-	76,197,908
Construction contracts	-	-	379,339	379,339
Total revenue from contracts with customers	76,197,908	17,316,813	379,339	93,894,060

	Transportation and logistics services	Trading	Total
	RM	RM	RM
2018			
Major goods and services:			
Sale of goods	-	5,065,092	5,065,092
Rendering of services	87,147,808	-	87,147,808
Total revenue from contracts with customers	87,147,808	5,065,092	92,212,900

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Revenue (Cont'd)

	Transportation and logistics services RM	Trading RM	Construction contracts RM	Total RM
Group				
Geopraphical market:				
2019				
Malaysia	76,197,908	17,316,813	379,339	93,894,060
2018				
Malaysia	87,147,808	5,065,092	-	92,212,900

23. Staff Costs

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Salaries, wages and other emoluments	22,535,333	20,461,549	101,000	74,000
Social security contributions	533,838	326,950	-	-
Defined contribution plans	2,101,639	1,993,306	-	-
	25,170,810	22,781,805	101,000	74,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 its subsidiary companies during the financial year as below:

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Executive Directors				
Existing Directors of the Company				
Salaries, wages and other emoluments	1,086,000	964,500	-	-
Social security contributions	6,978	3,840	-	-
Fees				
- current year	98,500	101,500	32,000	24,000
- under provision for prior years	14,000	-	14,000	-
Bonus	197,250	184,250	-	-
Defined contribution plans	210,566	186,831	-	-
	1,613,294	1,440,921	46,000	24,000
Estimated value of benefits-in-kind	48,310	50,150	-	-
	1,661,604	1,491,071	46,000	24,000
Existing Directors of the subsidiary companies				
Salaries, wages and other emoluments	2,077,401	1,844,138	-	-
Social security contributions	11,110	7,841	-	-
Fees	174,000	159,000	-	-
Bonus	326,635	284,965	-	-
Defined contribution plans	377,231	327,349	-	-
	2,966,377	2,623,293	-	-
Estimated value of benefits-in-kind	56,349	73,600	-	-
	3,022,726	2,696,893	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. Finance Costs

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Commitment fee	27,644	-	-	-
Interest expenses on:				
Bankers acceptance	50,258	37,672	-	-
Bank overdrafts	291,813	13,048	263,416	-
Finance lease liabilities	375,354	154,710	-	-
Term loans	1,041,691	356,814	264,686	-
Revolving credits	33,657	91,840	-	-
ICULS (Note 18)	-	14,706	-	14,706
Others	3,499	8,968	18,800	-
	1,796,272	677,758	546,902	14,706
	1,823,916	677,758	546,902	14,706

25. (Loss)/Profit before Tax

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration				
- Statutory audits				
- current year	146,100	87,040	22,000	20,000
- Under provision in prior years	2,770	-	-	-
- Other auditors				
- current year	-	43,540	-	-
- Non-audit services	6,000	5,000	6,000	5,000
Bad debts recovered	(311,822)	-	-	-
Depreciation of:				
- property, plant and equipment	7,596,096	6,393,133	-	-
- investment properties	71,111	76,280	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. (Loss)/Profit before Tax (Cont'd)

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

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Gain on disposal of:				
- property, plant and equipment	(282,596)	(1,160,261)	-	-
- investment properties	(58,199)	-	-	-
- other investments	-	(25,777)	-	-
Loss on foreign exchange:				
- realised	178,909	9,710	-	-
- unrealised	20,289	45,062	-	-
Hire of plant, equipment and vehicles	8,737,012	12,781,434	-	-
Interest income	(751,330)	(557,199)	(907,764)	(527,957)
Loss on disposal of subsidiary company	-	15,095	-	19,130
Management fee income	(181,200)	(166,500)	-	-
Non-executive Directors' remunerations				
- fees	26,000	20,000	26,000	20,000
- other emoluments	29,000	30,000	29,000	30,000
Operating lease payment				
- minimum lease on office equipment	26,446	-	-	-
Property, plant and equipment written off	186	38	-	-
Rental income	(70,450)	(70,620)	-	-
Rental expenses	855,156	1,611,693	-	-
Net (gain)/loss on impairment of financial instruments				
- impairment losses on trade receivables	137,025	314,331	-	-
- reversal of impairment losses on trade receivables	(275,540)	(284,072)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Taxation

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Tax expenses recognised in profit or loss				
Current tax				
- Current year	489,974	727,253	141,000	25,000
- Under/(Over) provision in prior years	89,934	(4,168)	33,001	878
	579,908	723,085	174,001	25,878
Deferred tax				
- Origination and reversal of temporary differences	(246,677)	(238,416)	-	52,987
- Under provision in prior years	110,951	48,624	-	-
	(135,726)	(189,792)	-	52,987
	444,182	533,293	174,001	78,865

Malaysian income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profits for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to (loss)/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	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
(Loss)/Profit before tax	(4,374,922)	1,830,115	1,447,758	1,733,541
At Malaysian statutory tax rate of 24% (2018: 24%)	(1,049,982)	439,228	347,462	416,050
Expenses not deductible for tax purposes	2,009,878	674,872	122,847	(45,450)
Income not subject to tax	(1,200,895)	(29,273)	(329,309)	(345,600)
Effect of deferred tax assets previously not recognised	-	(648,977)	-	-
Deferred tax assets not recognised	484,296	-	-	-
Others	-	52,987	-	52,987
	243,297	488,837	141,000	77,987
Under provision in prior years	200,885	44,456	33,001	878
	444,182	533,293	174,001	78,865

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM16,454,074 (2018: RM16,084,931) and RM7,247,407 (2018: RM3,452,913) respectively available for carried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Reconciliation of Liabilities Arising from Financing Activities

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

	At 1.4.2018 RM	Financing cash flows (i) RM	New finance lease [Note 4(c)] RM	Other changes (ii) RM	At 31.3.2019 RM
Group					
Term loans	9,761,854	(3,178,362)	-	11,348,649	17,932,141
Finance lease liabilities	3,346,514	(3,045,417)	7,347,739	-	7,648,836
Revolving credits	-	3,480,186	-	-	3,480,186
Bankers' acceptance	793,000	(541,000)	-	-	252,000
	13,901,368	(3,284,593)	7,347,739	11,348,649	29,313,163

	At 1.4.2017 RM	Financing cash flows (i) RM	New finance lease [Note 4(c)] RM	At 31.3.2018 RM
Term loans	7,851,834	1,910,020	-	9,761,854
Finance lease liabilities	3,048,483	(2,196,543)	2,494,574	3,346,514
Revolving credits	3,050,000	(3,050,000)	-	-
Bankers' acceptance	737,000	56,000	-	793,000
Liability component of ICULS	220,778	(220,778)	-	-
	14,908,095	(3,501,301)	2,494,574	13,901,368

	At 1.4.2018 RM	Financing cash flows (i) RM	New finance lease [Note 4(c)] RM	At 31.3.2019 RM
Company				
Term loans	4,000,000	(600,354)	-	3,399,646

	At 1.4.2017 RM	Financing cash flows (i) RM	New finance lease [Note 4(c)] RM	At 31.3.2018 RM
Term loans	-	4,000,000	-	4,000,000

(i) The cash flows from loans and borrowings make up the net amounts of proceeds from or repayments of borrowings in the statements of cash flows.

(ii) Other changes include loans and borrowings derived from acquisition of subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. (Loss)/Earning per Share

(a) Basic (loss)/earnings per share

The basic (loss)/earnings 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	
	2019	**2018**
	RM	**RM**
(Loss)/Profit attributable to owners of the parent	(4,561,509)	845,702
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 April	80,426,301	52,258,065
Effect of ordinary shares issued during the financial year	-	6,868,618
Effect of treasury shares held	(373,000)	(373,000)
Weighted average number of ordinary shares at 31 March	80,053,301	58,753,683
Basic (loss)/earnings per ordinary shares (in sen)	(5.70)	1.44

(b) Diluted (loss)/earnings per share

The Group has no dilution in their (loss)/earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. Dividends

	Group and Company 2019 RM	2018 RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividends paid in respect of the financial year ended:		
- 31 March 2018 (single-tier dividend of RM0.027 per ordinary share)	-	-
- 31 March 2019 (single-tier dividend of RM0.018 per ordinary share)	1,440,959	-

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

30. Commitments

	Group 2019 RM	2018 RM
Capital expenditure		
Authorised and contract for:		
- Property, plant and equipment	1,229,042	1,345,732

Operating lease commitments - as lessee

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

	Group 2019 RM	2018 RM
Within one year	477,679	279,395
Later than one year but not later than two years	175,464	53,200
Later than two years but not later than five years	104,400	-
	757,543	332,595

31. Contingencies

	Company 2019 RM	2018 RM
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to certain subsidiary companies	13,741,975	11,621,582

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2019	2018	2019	2018
	RM	RM	RM	RM
(i) Transactions with subsidiary companies				
- Interest receivable	-	-	907,764	527,957
- Dividend income receivable	-	-	1,352,000	1,440,000
(ii) Transactions with associates				
- Transportation and forwarding charges payable	1,404,129	3,639,632	-	-
- Transportation and forwarding charges receivable	3,774,025	3,603,080	-	-
- Freight and forwarding charges receivable	738,341	1,531,837	-	-
- Dividend income receivable	20,122	-	20,122	-
- Hiring of heavy vehicles receivable	11,816	2,715	-	-
- Hiring of heavy vehicles payable	5,023	3,940	-	-
- Maintenance of building	-	1,483	-	-
- Rental receivable	16,800	52,200	-	-
- Rental payable	3,600	3,600	-	-
- Software income receivable	-	11,072	-	-
- Interest receivable	16,207	17,832	-	-
- Management fee receivable	181,200	166,500	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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**	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
(ii) Transactions with associates (Cont'd)				
- Warehouse income receivable	5,500	1,020	-	-
- Warehouse expenses payable	2,500	-	-	-
(iii) Transactions with companies in which certain Directors of the Company have substantial financial interest				
- Transportation and forwarding charges receivable	741,624	3,234	-	-
- Transportation and forwarding charges payable	260,556	35,049	-	-
- Warehouse and crane charges receivable	3,212,642	2,186,974	-	-
- Interest income	5,049	-	-	-
- Construction contracts receivable	397,701	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2019	2018	2019	2018
	RM	RM	RM	RM
(iv) Transactions with shareholders of certain subsidiary companies				
- Transportation and forwarding charges receivable	185,151	120,893	-	-
- Transportation and forwarding charges payable	738,051	1,394,128	-	-
- Hiring of heavy vehicles receivable	4,985	-	-	-

(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 respectively.

33. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four 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.
Construction contracts	Construction contracts services and other support activities.
Others	Investment holding and letting of property and subcontracting of pre-casting works.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Segment Information (Cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Segment Information (Cont'd)

	Transportation and logistics services RM	Trading RM	Construction contracts RM	Others RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2019							
Revenue							
External sales	88,335,244	3,942,741	890,736	2,656,339	95,825,060	-	95,825,060
Inter-segment sales	15,852,136	1,139,641	666,000	1,610,301	19,268,078	(19,268,078)	-
Total revenue	104,187,380	5,082,382	1,556,736	4,266,640	115,093,138	(19,268,078)	95,825,060
Results							
Interest income	933,790	178,751	972	908,464	2,021,977	(1,270,647)	751,330
Finance costs	(4,024,992)	(276,156)	-	(723,285)	(5,024,433)	3,228,161	(1,796,272)
Dividends income	-	-	-	1,372,122	1,372,122	(1,352,000)	20,122
Depreciation	(6,985,214)	(528,945)	(13,451)	(139,597)	(7,667,207)	-	(7,667,207)
Other non-cash items	(286,671)	(180,422)	1,632	6,626	(458,835)	-	(458,835)
Share of results of associates	-	-		-	-	(205,771)	(205,771)
Segment loss	(2,434,359)	(457,572)	(922,715)	968,174	(2,846,472)	(1,528,450)	(4,374,922)
Taxation	(197,651)	(56,848)	-	(189,683)	(444,182)	-	(444,182)
Segment assets	139,869,975	6,908,029	1,489,018	111,034,231	259,301,253	(119,983,443)	139,317,810
Included in the measurement of segment assets are:							
Capital expenditure	11,255,919	2,526,215	385,455	334,030	14,501,619	-	14,501,619
Investments in associates	1,675,865	-	-	4,458,227	6,134,092	7,543	6,141,635

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Segment Information (Cont'd)

	Transportation and logistics 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	651,625	117,050	528,651	1,297,326	(740,127)	557,199
Finance costs	(1,022,090)	(168,294)	(234,754)	(1,425,138)	747,380	(677,758)
Dividends income	-	-	(1,440,000)	(1,440,000)	1,440,000	-
Depreciation	6,129,546	205,541	134,326	6,469,413	-	6,469,413
Other non-cash items	(758,775)	(367,525)	526	(1,125,774)	-	(1,125,774)
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
Taxation	(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
Investments in associates	1,675,866	-	965,432	2,641,298	213,314	2,854,612

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. Segment Information (Cont'd)

Adjustments and eliminations

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.

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

	Group	
	2019	**2018**
	RM	**RM**
Loss on disposal of subsidiary company	-	(15,095)
Gain on disposal of:		
- property, plant and equipment	(282,596)	(1,160,261)
- investment properties	(58,199)	-
- other investments	-	(25,777)
Net (gain)/loss on impairment of financial instruments	(138,515)	30,259
Unrealised loss on foreign exchange	20,289	45,062
Written off of property, plant and equipment	186	38
	(458,835)	(1,125,774)

The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	Group	
	2019	**2018**
	RM	**RM**
Tax recoverable	689,292	560,926

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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.

Group 2019	At amortised cost RM	At FVTOCI RM	Total RM
Financial assets			
Other investments	-	81,200	81,200
Trade receivables	24,028,122	-	24,028,122
Other receivables	2,083,531	-	2,083,531
Deposits, cash and bank balances	14,857,344	-	14,857,344
	40,968,997	81,200	41,050,197
Financial liabilities			
Loans and borrowings	33,841,869	-	33,841,869
Trade payables	8,335,861	-	8,335,861
Other payables	5,608,447	-	5,608,447
	47,786,177	-	47,786,177

	Loans and receivables RM	Available-for-sale RM	Total RM
2018			
Financial assets			
Other investments	-	182,482	182,482
Trade receivables	24,185,395	-	24,185,395
Other receivables	9,579,371	-	9,579,371
Deposits, cash and bank balances	26,919,355	-	60,866,603
	60,684,121	182,482	94,813,851

	Financial liabilities measured at amortised cost RM	Total RM
Financial liabilities		
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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)

Company	**At amortised cost**	**Total**
2019	**RM**	**RM**
Financial assets		
Other receivables	17,556	17,556
Amount due from subsidiary companies	45,532,741	45,532,741
Deposits, cash and bank balances	11,991	11,991
	45,562,288	45,562,288
Financial liabilities		
Loans and borrowings	7,232,194	7,232,194
Other payables	172,246	172,246
	7,404,440	7,404,440

	Loans and receivables	**Available-for-sale**	**Total**
2018	**RM**	**RM**	**RM**
Financial assets			
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
Deposits, cash and bank balances	2,227,053	-	2,227,053
	59,379,219	101,282	59,480,501

	Financial liabilities measured at amortised cost	**Total**
Financial liabilities	**RM**	**RM**
Loans and borrowings	7,373,357	7,373,357
Other payables	2,230,589	2,230,589
	9,603,946	9,603,946

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate 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. There are no significant changes as compared to previous financial year.

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 deposits 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.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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 RM13,741,975 (2018: RM11,621,582), representing the outstanding banking facilities to the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

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 RM2,703,629 (2018: RM2,113,115) which represent 10% (2018: 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 due. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

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 2019	**On demand or within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**After 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
Non-derivative financial liabilities						
Term loans	4,210,404	3,927,647	7,532,560	4,870,270	20,540,881	17,932,141
Bankers' acceptance	252,000	-	-	-	252,000	252,000
Bank overdrafts	4,528,706	-	-	-	4,528,706	4,528,706
Revolving credits	3,480,186	-	-	-	3,480,186	3,480,186
Finance lease liabilities	3,799,000	3,265,468	1,135,100	-	8,199,568	7,648,836
Trade and other payables	13,944,308	-	-	-	13,944,308	13,944,308
	30,214,604	7,193,115	8,667,660	4,870,270	50,945,649	47,786,177

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

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**
Non-derivative financial liabilities					
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
Trade and other payables	14,236,863	-	-	14,236,863	14,236,863
	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)

Company **2019**	**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					
Other payables	172,246	-	-	172,246	172,246
Term loans	943,680	943,680	1,885,221	3,772,581	3,399,646
Bank overdrafts	3,832,548	-	-	3,832,548	3,832,548
Financial guarantee	13,741,975	-	-	13,741,975	-
	18,690,449	943,680	1,885,221	21,519,350	7,404,440
2018					
Non-derivative financial liabilities					
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

* Based on the maximum amount that can be called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At the end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee 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.

The maximum amount of the financial guarantee issued to the banks for subsidiary companies' borrowing is limited to the amount utilised by the subsidiary companies, amounting to RM13,741,975 (2018: RM11,621,582). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At the end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee 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 is remote.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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)

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**
	RM	**RM**	**RM**
Group			
2019			
Trade receivables	524,444	1,274,634	1,799,078
Cash and bank balances	44,599	7,924	52,523
Trade payables	(140,282)	(322,265)	(462,547)
	428,761	960,293	1,389,054
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

<u>Foreign currency sensitivity analysis</u>

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of the Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 (Cont'd)

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the USD and THB exchange rates against RM, with all other variables held constant.

		2019		**2018**
Group	**Change in currency rate RM**	**Effect on loss before tax RM**	**Change in currency rate RM**	**Effect on profit before tax RM**
USD	Strengthened 5%	21,438	Strengthened 5%	20,316
	Weakened 5%	(21,438)	Weakened 5%	(20,316)
THB	Strengthened 5%	48,015	Strengthened 5%	58,507
	Weakened 5%	(48,015)	Weakened 5%	(58,507)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and financial institutions and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company'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 banks and 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 and the Company manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2019	2018
Group	**RM**	**RM**
Fixed rate instruments		
Financial assets	911,762	1,006,188
Financial liabilities	(7,648,836)	(3,346,514)
	(6,737,074)	(2,340,326)
Floating rate instruments		
Financial assets	8,595,500	20,283,932
Financial liabilities	(26,193,033)	(13,999,103)
	(17,597,533)	6,284,829
Company		
Fixed rate instrument		
Financial assets	34,003,770	37,647,816
Floating rate instrument		
Financial liabilities	(7,232,194)	(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's (loss)/profit before tax by RM175,975 and RM72,322 (2018: RM62,848 and RM73,733) respectively, 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.

(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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. Financial Instruments (Cont'd)

(c) Fair value of financial instruments (Cont'd)

(iii) Level 2 fair value (Cont'd)

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value 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 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 7.24%)

35. Capital Management

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company'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 and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. Capital Management (Cont'd)

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company'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	
	2019 RM	2018 RM	2019 RM	2018 RM
Total loans and borrowings (Note 18)	33,841,869	17,345,617	7,232,194	7,373,357
Less: Deposits, cash and bank balances (Note 14)	(14,857,344)	(26,919,355)	(11,991)	(2,227,053)
Net debts	18,984,525	(9,573,738)	7,220,203	5,146,304
Total equity	89,784,899	88,991,756	80,963,013	81,130,215
Gearing ratio (times)	0.211	-*	0.089	0.063

* The gearing ratio is not applicable as the Group has sufficient cash and bank balances to settle the liabilities as at the end of the financial year.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

36. Subsequent Events during the Financial Year

On 26 June 2019, the Company had subscribed for 4,400,000 new ordinary shares in its associates, Maruzen SH Logistics Sdn. Bhd. ("MSHL") for a total cash consideration of RM4,400,000. Upon completion of the subscription, the Company had directly owned 35.2% in MSHL shares.

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 19 July 2019.

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Date of * Acquisition/ Valuation	Description	Approximate Land Area	Approximate Tenure	Approximate Age of Building	Net Book Value at 31.3.2019 RM'000
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	30 years	385
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	30 years	410
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	24 years	139
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)	18 years	3,875
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	18 years	80
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	18 years	175
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	15 years	55
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	15 years	105

LIST OF PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Date of * Acquisition/ Valuation	Description	Approximate		Approximate Age of Building	Net Book Value at 31.3.2019 RM'000
			Land Area	Tenure		
Lot No 157, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	1 April 2011	Vacant Land	3,189.4237 meter^3	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	23 years	14,489
No HS(D) 60047, Mukim 01, PT 4447, Seberang Perai Tengah, Pulau Pinang	*25 July 2012	Vacant Land (Depot)	1.5391 Hektar	Leasehold	–	3,290
No HS(D) 60051, Mukim 01, PT 4445, Seberang Perai Tengah, Pulau Pinang	*16 July 2015	Vacant Land (Depot)	0.9813 Hektar	Leasehold	–	4,675
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	–	1,301
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	–	1,301

ANALYSIS OF SHAREHOLDINGS
AS AT 2 JULY 2019

Issued Shares : RM80,053,301*
Class of Shares : Ordinary Shares
Voting Rights : One vote for every ordinary share held

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	Total Holdings	% of Issued Shares
less than 100 shares	21	2.85	478	0.00
100 to 1,000 shares	114	15.47	69,089	0.09
1,001 to 10,000 shares	438	59.43	1,649,770	2.06
10,001 to 100,000 shares	118	16.01	3,658,040	4.57
100,001 to less than 5% of issued shares	41	5.56	34,456,876	43.04
5% and above of issued shares	5	0.68	40,219,048	50.24
	737	100.00	80,053,301	100.00

* The issued shares as per Record of Depositors as at 2 July 2019 exclusive of 373,000 shares held as treasury shares

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

	Name	Shareholdings	% of Issued Shares
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.	6,838,380	8.54
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	MONT PRISTINE DEVELOPMENT SDN. BHD.	4,000,000	4.99
7	A1 CAPITAL SDN BHD	3,000,000	3.75
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SI THO YOKE MENG	2,634,300	3.29
9	HEAN BROTHERS HOLDINGS SDN. BHD.	2,524,714	3.15
10	SKYLITECH RESOURCES SDN. BHD.	2,382,100	2.98
11	KHALID H.A.ZAINY MOTWAKIL	1,951,100	2.44

ANALYSIS OF SHAREHOLDINGS (CONT'D)
AS AT 2 JULY 2019

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS (cont'd)

	Name	Shareholdings	% of Issued Shares
12	RANI WONGTOMO	1,921,681	2.40
13	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LHG HOLDINGS SDN BHD	1,856,545	2.32
14	LEE LAI YENG	1,793,110	2.24
15	LEE CHOR MIN	1,100,000	1.37
16	LEE YEE PING	1,088,000	1.36
17	LEE HEAN GUAN	813,600	1.02
18	LEE YEE HUEI	740,631	0.93
19	LHH HOLDINGS SDN. BHD.	728,900	0.91
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	678,000	0.85
21	YEAP YI FONG	579,100	0.72
22	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW AH LIAN	540,750	0.68
23	CHEAH AH KIAT	500,000	0.62
24	MOHD HANEEF BIN MOKHTAR	476,800	0.60
25	SURINDER SINGH A/L WASSAN SINGH	440,000	0.55
26	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HEAN TEIK	438,890	0.55
27	LEE HEAN BENG	405,000	0.51
28	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARBANS KAUR A/P SAUDAGAR SINGH	397,750	0.50
29	LEE HEAN HUAT	354,530	0.44
30	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HEAN HUAT	320,000	0.40

ANALYSIS OF SHAREHOLDINGS (CONT'D) AS AT 2 JULY 2019

SUBSTANTIAL SHAREHOLDERS

Name		Direct No. of Shares	Direct % of Issued Shares	Indirect No. of Shares	Indirect % of Issued Shares
1.	Hean Brothers Holdings Sdn Bhd	9,363,094	11.70	–	–
2.	Dato' Lee Hean Guan	6,508,078	8.13	21,458,029[a]	26.81
3.	Lee Hean Huat	774,530	0.97	9,363,094[b]	11.70
4.	Lee Hean Beng	405,000	0.51	9,363,094[b]	11.70
5.	Lee Hean Teik	452,890	0.57	9,363,094[b]	11.70
6.	Lee Hean Seng	438,405	0.55	9,363,094[b]	11.70
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 Shares	Indirect No. of Shares	Indirect % of Issued Shares
Lee Chor Min	1,100,000	1.37	–	–
Lee Hean Huat	774,530	0.97	11,987,994[a]	14.98
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	–	–	–	–
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 Shares	Indirect No. of Shares	Indirect % of Issued Shares
Datuk Haji Muhadzir Bin Mohd. Isa	170,000	17.00	–	–

SH Haulage Sdn Bhd

	Direct No. of Shares	Direct % of Issued Shares	Indirect No. of Shares	Indirect % of Issued Shares
Haji Shamsul Ariffin B. Mohd Nor	300,000	30.00	–	–

SEE HUP CONSOLIDATED BERHAD
(Company No. 391077-V)

FORM OF PROXY
Twenty-Third
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-THIRD ANNUAL GENERAL MEETING of the Company to be held at The Wembley Hotel, Wembley Room 8, Jalan Magazine, 10300 Penang on Wednesday, 11 September 2019 at 11.30 a.m. and at any adjournment thereof.

	Ordinary Resolutions									**Special Resolution**
	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 ____________2019

____
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 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, 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 4 September 2019 (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)
170-09-01 Livingston Tower, Jalan Argyll,
10050 George Town, Pulau Pinang, Malaysia

Please fold across the line and close

www.seehup.com.my

See Hup Consolidated Berhad (391077-V)

18, Jalan Limbungan, Off Jalan Chain Ferry,
12100 Butterworth, Penang.