See Hup Consolidated Berhad
(Registration No. 199601018726 (391077-V))

GROWING SUSTAINABLY

ANNUAL REPORT 2020




CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-fourth ("24th ") 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 Monday, 28 September 2020 at 9:45 am for the following purposes:-

As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 March 2020 and the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Clause 107 of the Company's Constitution:-
   (a) Lee Hean Huat — Ordinary Resolution 1
   (b) Datuk Haji Muhadzir Bin Mohd Isa — 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 2020. — 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 2021. — 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**

   "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." — Ordinary Resolution 6

6. **PROPOSED 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**

   "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 28 August 2020 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; — Ordinary Resolution 7

   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**

"THAT, subject always to the Companies Act 2016 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's issued share capital through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following: Ordinary Resolution 8

(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 RM496,440 of the Company, based on the latest Audited Financial Statements as at 31 March 2020;

(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**

"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" Ordinary Resolution 9

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

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143) (SSM PC 202008001023)
Ong Tze-En (MAICSA 7026537) (SSM PC 202008003397)
Lau Yoke Leng (MAICSA 7034778) (SSM PC 202008003368)
Joint Company Secretaries

Penang, 28 August 2020

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. A proxy must be of full age. 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 21 September 2020 (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 2021.
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 11 September 2019 and which will lapse at the conclusion of the Twenty-Fourth AGM.

   The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
3. The proposed Ordinary Resolution 7 if passed, will approve the shareholders' mandate on recurrent related party transactions and the provision of financial assistance and allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with Chapter 10 and Practice Note No. 12 of the Main Market Listing Requirements of Bursa Securities. This approval shall continue to be in force until the conclusion of the next AGM or the expiration of the period within which the next AGM is required by the law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.
4. The proposed Ordinary Resolution 8 if passed, will give the Directors the flexibility to purchase its own shares, if and when circumstances permit, with a view to enhance the earnings per share of the Group and net assets per share of the Company. The Proposed Renewal of Share Buy-Back, if exercised, is expected to potentially benefit the Company and its shareholders as stated in the Circular to shareholders.
5. The proposed Ordinary Resolution 9, if passed, will retain Ms Ng Shiek Nee as Independent Non-Executive Director ("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.

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 24th 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) (SSM PC No. 202008001023)
Ong Tze-En
(MAICSA 7026537) (SSM PC No. 202008003397)
Lau Yoke Leng
(MAICSA 7034778) (SSM PC No. 202008003368)

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
(Registration No. 199601018726(391077-V))

100%
See Heng Company Sdn Bhd **(13493-H)**

80.32%
Bentara Dermaga Sdn Bhd **(562653-V)**

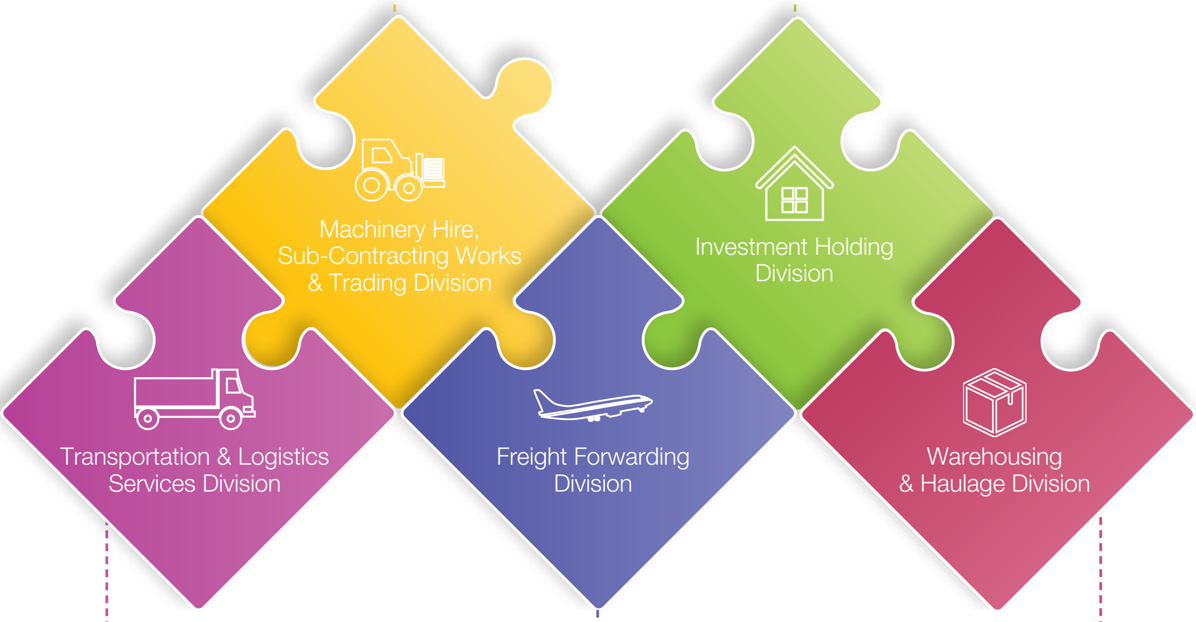
51%
SH Moment Builder Sdn Bhd **(1085944-V)**

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)**



100%
See Hup Transport Company Sdn Berhad **(3666-U)**

100%
See Hup Transport (KL) Sdn Bhd **(230182-A)**

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

49%
Jentanian Transport and Forwarding Sdn Bhd **(64468-D)**

100%
SH In Express (M) Sdn Bhd **(44507-K)**

89.58%
SH Worldwide Logistics Sdn Bhd **(263421-K)**

79.78%
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)**

39.18%
Maruzen SH Logistics Sdn Bhd **(1161930-M)**

42.85%
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 45, 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 72, 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 75, 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 71, 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 the Co-Chairman of Custom Consultative Panel Committee, State of Kedah. He is also the Chairman of the Board of Advisory of Polytechnic Tuanku Syed Sirajuddin Arau, Perlis.

Ng Shiek Nee
Independent Non-Executive Director

Female, aged 53, 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 53, 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 73, 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 51, 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 40, 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 50, 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 48, 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 46, 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 corporate 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.
- Ensure a sustainable anti-corruption compliance programme

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	4/4	N/A	N/A	N/A
	Haji Shamsul Ariffin B. Mohd. Nor	3/4	N/A	N/A	N/A
Non-Executive	Ng Shiek Nee	4/4	4/4	2/2	1/1
	Mak Cheow Yeong	4/4	4/4	2/2	1/1
	Lee Phay Chian	4/4	4/4	2/2	1/1

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

Board Charter

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

The Charter shall be reviewed periodically as stipulated to ensure its relevance in assisting the Board to execute its duties with changes in corporate laws and regulations that may arise from time and time. The said review was last carried out by the Board in June 2020. 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 was 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	• Navigating Corporate Liability • Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*
Lee Hean Huat	• Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*
Tuan Haji Shamsul Ariffin B. Mohd Nor	• 15th TRICOR Tax Seminar • Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*
Datuk Haji Muhadzir Bin Mohd Isa	• Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*
Lee Phay Chian	• Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting* • National Tax Conference 2019 • Seminar Percukaian Kebangsaan 2019 • Transfer Pricing Seminar 2019
Ng Shiek Nee	• Case Study for Independent Directors • Corporate Governance Compliance Expectations • Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*
Mak Cheow Yeong	• Financial Reporting – *Understanding the Roles of the Board, Audit Committee, Company Secretary, Management & Auditors on the Timeliness and Accuracy of Reporting*

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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.

Details of Directors' Remuneration
Details of the remuneration of the Directors financial year ended 31 March 2020 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	–	499,500-00	–	21,300-00*/ 6,000-00	587,300-00
Lee Hean Huat *Executive Director*	8,000-00	26,000-00	–	490,000-00	–	12,708-00*	536,708-00
Tuan Haji Shamsul Ariffin B. Mohd Nor *Executive Director*	8,000-00	–	–	156,000-00	–	8,796-00*	172,796-00
Datuk Haji Muhadzir Bin Mohd Isa *Executive Director*	8,000-00	2,000-00	–	54,000-00	–	–	64,000-00
Ng Shiek Nee *Non-Executive Director*	10,000-00	–	–	–	10,000-00	–	20,000-00
Lee Phay Chian *Non-Executive Director*	8,000-00	–	–	–	10,000-00	–	18,000-00
Mak Cheow Yeong *Non-Executive Director*	8,000-00	–	–	–	9,000-00	–	17,000-00

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 RM1,517,476.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

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

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

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

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

External Auditors

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

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

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

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

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

II RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

The Group outsourced its internal audit function to a professional firm of consultants, BDO Governancy Advisory Sdn Bhd ("BDO") that adopts internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia. The team is headed by an Executive Director – Advisory who is a fellowship of Association of Chartered Certified Accountants and a member of the Institute of Internal Auditors Malaysia and is assisted by nine (9) staff which includes three (3) managers.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

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

I COMMUNICATION WITH STAKEHOLDERS

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

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

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

II CONDUCT OF GENERAL MEETINGS

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

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

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

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

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

This statement is issued in accordance with a resolution of the Directors dated 30 June 2020.

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 JOURNEY TOWARDS SUSTAINABILITY

Attributing to our resilience as a long-standing logistics and transportation company, we at See Hup Consolidated Berhad ("See Hup" or "the Group") inculcate the importance of upholding integrity and high ethical standards in all of our commercial enterprises which goes hand-in-hand with effectuating our sustainability objectives through continuous improvements in the methods we employ to curb any adverse environmental impact generated from our day-to-day operations, and to amplify our contribution to the people and communities within our sphere of influence. We persist in propelling our business towards the practical application of sustainable development and advancement across the Group.

Undergirding the Group's holistic approach is sustainable growth in terms of expanding our presence in the industry as a high quality provider of supply chain solutions without compromising on our efforts to safeguard the environment and our surrounding communities.

In this regard, the following demonstrates our commitment:

REPORTING SCOPE AND BOUNDARY

This Sustainability Statement sets out the principal features of See Hup Consolidation Berhad and its subsidiaries' (collectively referred to as the "Group") sustainability approach, summary of sustainability practices for the financial year ended 31 March 2020, as well as key focus areas and future priorities in relation to sustainability . The scope includes the coverage of Group's main nature of transportation and logistics business and key subsidiaries, however, excludes joint ventures, and organizations within its value chain such as vendors and suppliers which See Hup does not have managerial control over the operational matters of said organisations.

The Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and guidance drawn from Practice Note 9 of the Main Market Listing Requirements ("MMLR") and the Sustainability Reporting Guide (2nd edition) issued by the Exchange in 2018.

Additionally, to present our stakeholders with a detailed report, this Sustainability Statement is to be read in conjunction with the Management Discussion and Analysis ("MDA") disclosed together in this Annual Report that sets out both our financial and operational performance for the financial year ended 31 March 2020.

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

SCOPE OF REPORT	1 April 2019 to 31 March 2020
REPORTING CYCLE	Annually
PRINCIPLE GUIDELINES	Bursa Malaysia's Sustainability Reporting Guide (2nd edition)
COVERAGE	See Hup and its subsidiaries.

YOUR OPINION MATTERS TO US

This Statement is accessible from our corporate website at http://www.seehup.com.my. In recognising that it is integral for our Company to continuously engage in mindful practices throughout our operations in the Economic, Environmental and Social ("EES") dimensions, any feedback on this Statement or in other areas of our performance will be greatly appreciated.

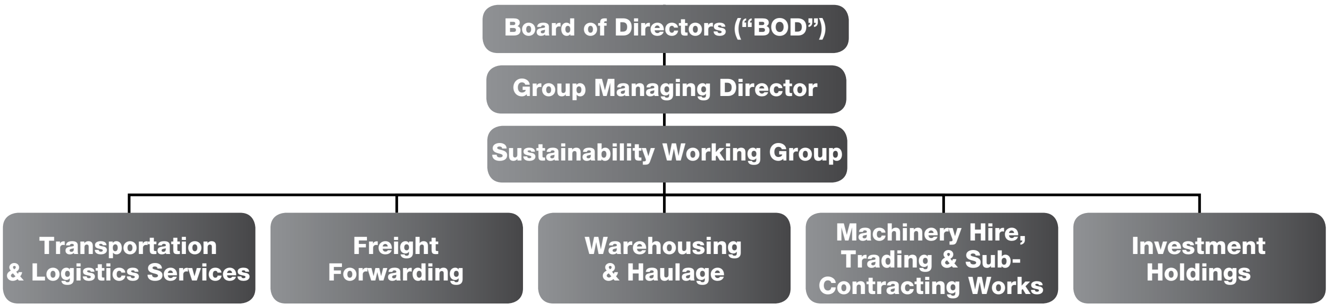
GOVERNANCE STRUCTURE

The responsibility to promote and embed sustainability in See Hup's business strategy lies with the Board of Directors. This is also in line with Practice 1.1 of the Malaysian Code on Corporate Governance 2012 where directors are required to discharge their duties and responsibilities in the interest of the company.

SUSTAINABILITY REPORT (CONT'D)

In that context, with a view to create socioeconomic values by taking into account the needs and views of all its stakeholders, a Sustainability Working Group ("SWG") was established in FY19 to ensure smooth coordination and implementation of initiatives under the sustainability strategy, as well as to prepare the Group for its sustainability disclosure.

The following diagram below represents the See Hup's governance structure on sustainability:-



The primary objective of the SWG is to facilitate the preparation of the Sustainability Statement for inclusion in the Annual Report. Chaired by the Group Managing Director ("MD"), the SWG also comprises of Senior Management such as Executive Directors and Head of Department from the respective functional units, as well as the support groups from cross-functional business units of See Hup and its subsidiaries that allow diverse viewpoints and opinions, thereby promoting a sustainable business.

On top of the objectives, the responsibility of the SWG includes overseeing the following:-

- Providing additional viewpoint to the management to ensure that the Group's sustainability strategies, principles and objectives correlates with the commitment towards sustainability;
- Assisting the BOD in performing its supervisory duties in support of the Group's material sustainability strategies and initiatives; and
- Examine sustainable issues arising from independent audits and assurance reports.

The SWG held their first meeting in 14 April 2019, with the participants consisting of senior management such as Executive Directors, Head of Departments, managers and a secretary to review the Group's Sustainability's governance structure, stakeholder's engagement analysis and assessment of sustainability matters.

Conclusively, the SWG is jointly involved with the Board in administering sustainability matters of the Group. As such, with the delineation of responsibilities and due considerations, the group affirms all concerns are deliberated and addressed through various reporting tiers.

ENGAGEMENT WITH STAKEHOLDERS

See Hup recognises the importance of its key stakeholders' engagement and their views on sustainability matters, with the objective to aid the Group in determining and prioritising matters that are material and impactful to the Group's success. See Hup also understands that transparency promotes accountability, thus ensures that substantial economic, environmental and social matters concerning stakeholders are approached with an emphasis in openness and ethical conduct.

Hence, See Hup has undertaken direct and active actions to engage with the relevant key stakeholders to solicit their views. See Hup has assessed its stakeholders, in terms of influence and dependence, to understand the dynamics among See Hup and our stakeholders. That includes, various form of engagements with the stakeholders and a stakeholders mapping exercise undertaken by the Group for the year of assessment.

The purpose of mapping exercise is to assist management to identify key stakeholder's group and to prioritise matters that are material from stakeholder's perspectives. In summary, See Hup's key stakeholders group are identified and categorised in the following table.

Stakeholders are defined as an individual, group or organisation that has an interest in an organisation and they can be impacted by the organisation's objectives, actions and policies.

Stakeholder	Means of Engagement	Frequency
Government	• Report Submission • Audit/Other Inspection Visit • Meeting/ Discussion • Press Release/Announcement • Corporate Website	• Ad-Hoc • Ad-Hoc • On-going • Ad-Hoc • On-Going
Employees	• Performance Review • Grievances/Whistleblowing Procedures • Meeting/Discussion	• Annually • Ad-Hoc • On-going

SUSTAINABILITY REPORT (CONT'D)

Stakeholder	Means of Engagement	Frequency
Supplier/ Vendor	• Evaluation and Performance Review • Contract Negotiation • Vendor Registration • Meeting/ Discussion	• Annually • Ad-Hoc • Ad-Hoc • On-Going
Customer	• Customer Satisfaction Survey • Contract Negotiation • Meeting/Discussion • Press Release/Announcement • Corporate Website	• Annually • Ad-Hoc • On-Going • Ad-Hoc • On-Going
Shareholder	• Annual General Meeting • Annual Report • Quarterly Result Announcement • Press Release • Corporate Website	• Annually • Annually • Quarterly • Ad-Hoc • On-Going
Public/Local Community	• Community/Engagement Programme • Press Release / Announcement • Corporate Website	• Ad-Hoc • Ad-Hoc • On-Going
Competitor	• Announcement / Disclosure • Social Media • Press Release	• Quarterly • Ad-Hoc • Ad-Hoc

Considering the diverse complexity of our business operation environment and the constantly changing expectations of our stakeholders, the Group will pursue its efforts towards growing our coverage and recognition to a broader group of stakeholders.

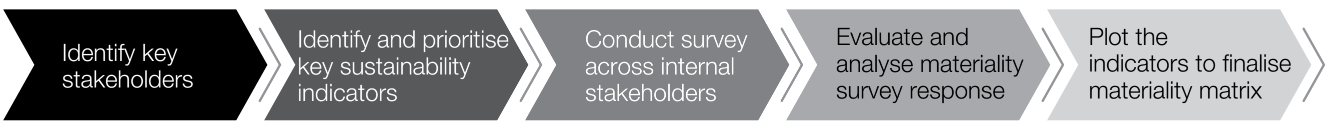
MATERIALITY ASSESSMENT

Understanding the three pillars of EES sustainability are key areas to implement sustainability strategies and initiatives that yield outcomes which aligns with our sustainability roadmap. See Hup has undertaken substantial work to attain a better conception of what internal and external stakeholders expect of See Hup's sustainability performance, where our strategy, resources, action should be focused on along with how to improve on our goals.

In preparation for this reporting cycle, we have reassessed material sustainability matters that are relevant to our business and stakeholders through a materiality assessment for the financial year ended 31 March 2020. The aim of the sustainability materiality assessment, is to identify material issues where the Group are associated with, allowing us to allocate adequate resources to strategically manage the issues, whilst enabling the Group to map our stakeholders' perspective toward the material matters as well as the significant matters that may impact them and the Group.

By consolidating the feedback collected from our key management personnel, all the Group's material matters are illustrated subtly on the Materiality Matrix (as shown in below graph). The said matrix was concluded based the results of the materiality assessment exercise as conducted by the SWG, which comprises of senior management personnel across various business divisions that engage directly or indirectly with the key stakeholders.

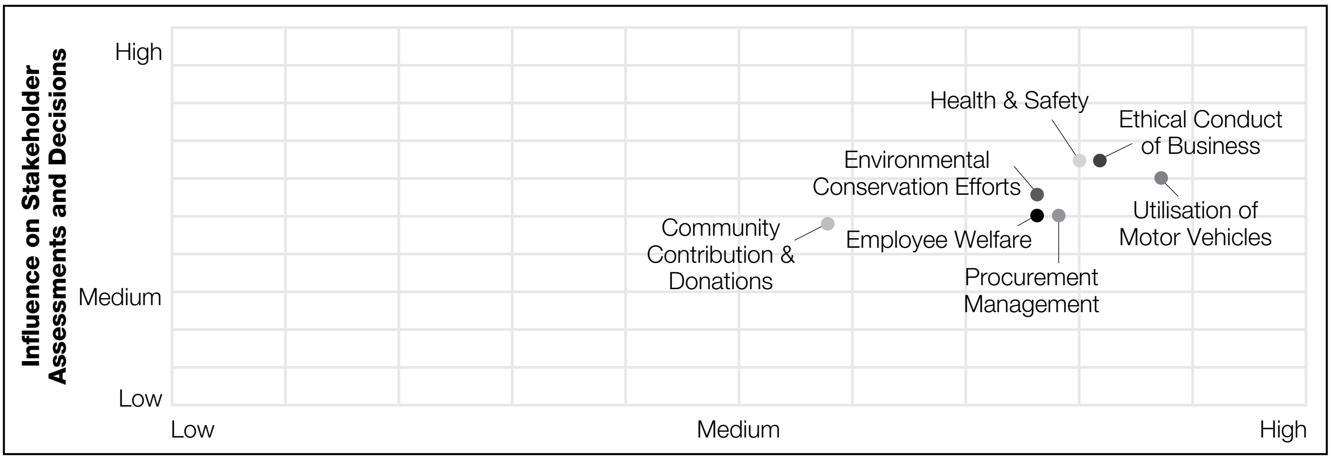
The flowchart below summarises the process of materiality assessment being conducted on stakeholders:-



Such matters are commensurate in the graph below, signifying the levels of significance and priority that are proportioned within the scale of low, medium and high, between the importance of stakeholders and significance to See Hup. All things considered, the Group has concluded that the following seven (7) sustainability matters remains essential and relevant as our primary focus for the year of assessment.

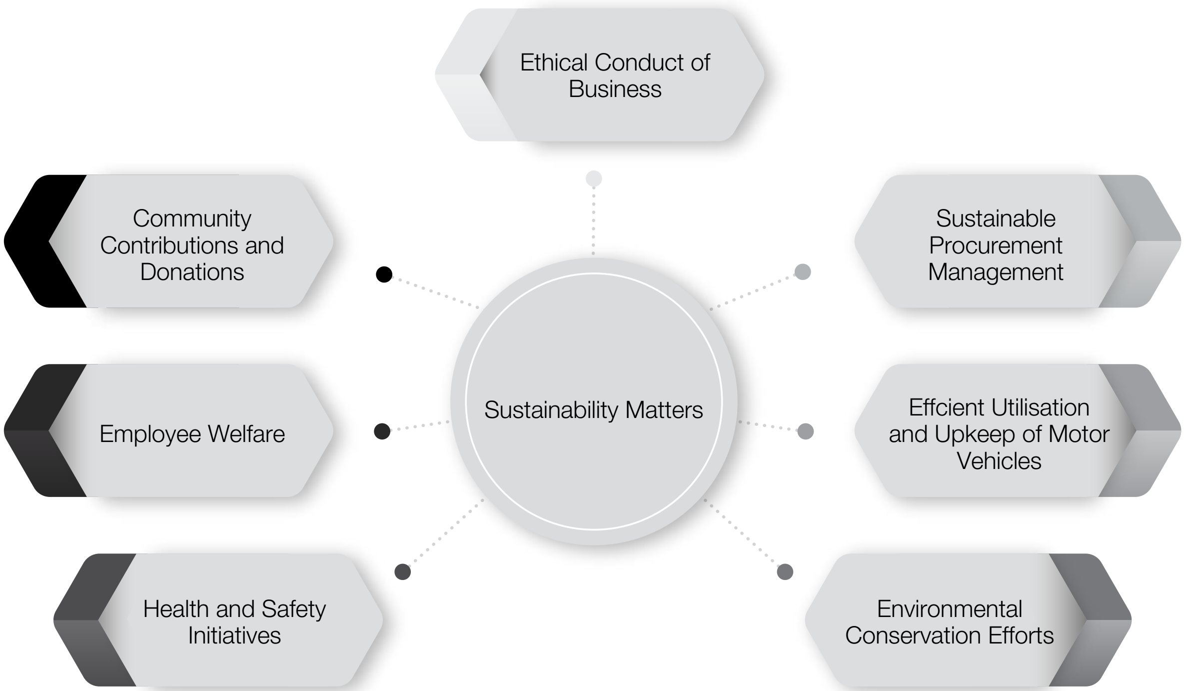
SUSTAINABILITY REPORT (CONT'D)

Materiality Matrix



Significance of Group's Economic, Environmental and Social Impacts

Sustainability Matters



Once again, See Hup wishes to highlight that the Group acknowledges that the correlation between the sustainability matters are of equal importance and ensures that all efforts are uniformly implemented at addressing and managing each matter adequately.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY MANAGEMENT AND FULFILLMENT

ECONOMIC OUTLOOK

See Hup believes that logistics industry takes on a greater role in driving the economic growth of the countries we operate in. As such, our Group has continuously strives to maintain its competitiveness in the industry, by delivering the right products, in the right quantities, to the right place, at the right time, and with the lowest cost charged to our stakeholders. These are managed through an effective management of our supply chain, which in return, enabling the Group to maximise its resources in delivering our promise to the stakeholders.

Aside from that, the Group also commits to ensuring that our people conduct the business in the highest ethical standards. This is the core value to a sustainable operation. Initiatives undertaken by the Group under this area is further illustrated in the following section.

Ethical Conduct of Business

Pursuant to the introduction of the Malaysian Code on Corporate Governance 2017 ("MCCG"), Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") and the Companies Act 2016, we are equipped and guided to embed best corporate governance practices into our business activities. We are dedicated in ensuring that all of our activities are carried out professionally with the intention of dealing with all applicable laws, regulation and compliance act and code pertaining to corporate governance practices in an ethical manner.

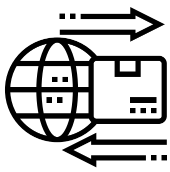
See Hup has a strict Business Ethics and Code of Conduct that describe the expected action and behaviour from our employees and business associates. With integrity and transparency as our foundations, the business code emphasises on legal, equitable and unbiased standards while identifying conduct that is considered unethical in the workforce, such as coercion, discriminating and bullying behaviour, along with corruption. As a result, in accordance with our ideology of strong commitment to an ethical and a transparent operating environment, we have established a formal internal evaluation mechanism on top of the current processes and policies, along with the assistance of external advisory providers, to ensure that the priorities of assurance on regulatory requirements are constantly kept abreast and uphold.

The employees of See Hup are required to retain the highest standard of ethics and professional conduct during their employment with the Group. Moreover, See Hup ensures that any improvements or further development to the regulatory requirements are monitored and communicated with the local authority.

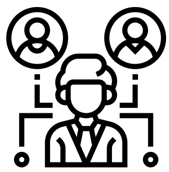
Below entails our adherence to meet the highest standard of business conduct includes regulatory matters which relates, but not limited to, the following:-

Road Transport, Forwarding & Logistic Activities

Licensed Warehousing Facilities



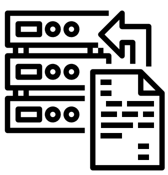
Import and Export Customs



Labour Practices

Occupational Safety and Health

Environment



Information Database

In addition, the Group has a whistle-blowing channel in place to provide its employees and other stakeholders with an avenue to disclose any actual or suspected cases of wrongdoing or unethical activity in the organisation. This guarantees anonymity for all employees who are allowed to share their views without fear of reprisal. All this contributes to the development of an atmosphere in which workers will feel secure while maintaining the principles kept by the organization. As of 31 March, 2020, there is no case being reported in relation to employees' wrongdoing or unethical activity in the Group.

Moreover, the Group is currently in the midst of establishing its Anti-Bribery Management System, which is to be aligned with the MMLR and MACC Amendment Acts (2018) to ensure compliance towards the requirements set by the authority & Bursa. The Group shall update the details of the implemented system in the following year of reporting to provide stakeholders with a clearer view on the Group's position in fighting against bribery and corruption activities.

Referring to the abovementioned initiatives and measures undertaken by the Group, See Hup is committed to ensure that the Group is and will continue to stay abreast with all the latest development of rules and regulations and will be observing and adhering to the requirements at all time.

SUSTAINABILITY REPORT (CONT'D)

Sustainable Procurement Management

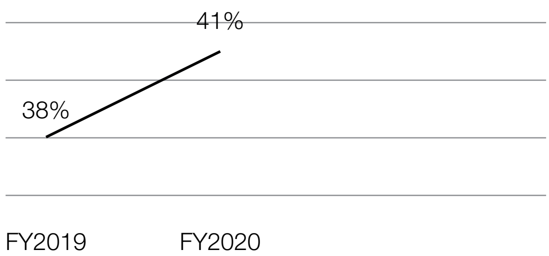
Sustainable procurement management is recognized as one of the key component of corporate sustainability in See Hup where its objective is to create, protect, and grow long term environmental, social and economic value for stakeholders involved in bringing products and services to the market.

In our business sector, our vendors and business partners assume a vital role in ensuring the Group business operations perform efficiently by supplying high standard parts and reliable services at a reasonable price. Hence, appropriate measures have been taken to secure reliable supply of replacement parts and consumables to sustain our activities in terms of repairs and maintenance. More importantly, the safety of our employees (i.e., Drivers, Carriers and etc) is invariably prioritised. Fundamentally, the Group has enforced strict criteria in the selection and evaluation processes of our suppliers.

We have conducted annual suppliers' evaluations of both new and existing vendors to assess their performances such as their responsiveness, quality and pricing of products. Furthermore, the result of the assessment will be presented to the management for review and approval as a mean to provide constructive feedback for positive development. Additionally, See Hup maintained an Approved Vendor List (AVL), under the Transportation and Logistics Services Division and shall work towards establishing and maintaining AVL for other business divisions gradually in the upcoming years.

As a leading organization, the Group works to ensure that the parts and components that we use in our operation and maintenance in the entire supply chain such as machinery tools and tyres can be traced to sources. We also strive to ensure that we provide economical support to our local suppliers so as to empower and boost the surrounding economy. In Financial Year ("FY") 2020, See Hup managed to procure a higher volume of purchases from a diverse range of local suppliers, which is demonstrated in the graph below:-

Total of Local Purchases



Based on top 25 of our suppliers, 41% of our suppliers were sourced locally in Malaysia (i.e., allocated based on the volume of purchase), hence a 3% increase in local purchases in comparison to the 38% as recorded in FY 2019. In consideration of the advantages to this approach, the Group aims to extend its efforts to incorporate additional local purchases in the near future. By partnering closely with our suppliers, we will be able to raise the standards and hence, ensuring a sustainable supply chain management is maintained in our operation.

ENVIRONMENTAL SAFEGUARDS

Environmental degradation not only poses as a pressing global concern but also as a legitimate risk that could potentially impede on our company's growth trajectory and viability. On that front, See Hup has continued to focus our efforts in efficient fleet management and resource conservation practices. This two-pronged strategy has enabled us to better safeguard the environment by identifying resource-intensive activities and accelerating our response in finding solutions to those demands and constraints throughout this year.

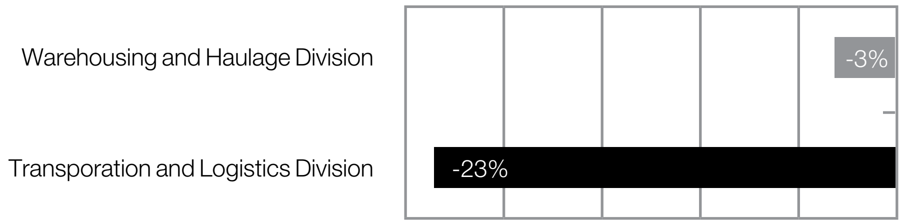
Efficient Utilisation and Upkeep of Vehicles & Heavy Machineries

Our efforts to reduce pollutants and any environmental hazards that are consequently generated from our operations have been a focal point in our pathway to sustainability. In acknowledging this, stringent and regular maintenance is executed by our team of experts on fleet management, namely vehicles, machinery and equipment that are used in carrying out our services.

Monitoring of fleet performance, including real-time mileage tracking, is strengthened with the facilitation of GPS devices that have been affixed onto all of our commercial vehicles. From the daily reports that are generated through this system, our fleet monitoring teams were able to access fluctuating patterns and highlight inefficiencies in an expedient manner, resulting in the prevention and moderation of excessive fuel consumption and emissions.

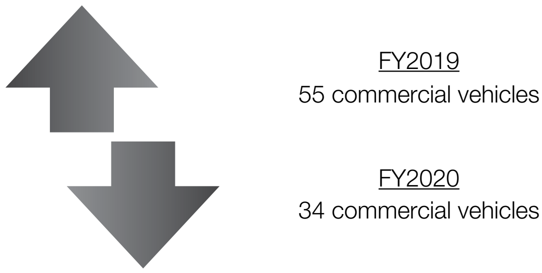
With furtherance to this, the Group had initiated close monitoring of diesel consumption in December 2019, where the utilisation efficiency of our subsidiaries engaged in transportation and logistics as well as the warehousing and haulage divisions, which attributes to 63% of the Group's profits generated in FY2020 respectively, have been reviewed and presented to Management on a month-by-month basis. Indicative in our average of diesel consumption recorded between December 2019 and February 2020, we are happy to report that our transportation and logistics division has achieved a maximum of 23% reduction in fuel utilisation as compared to diesel consumption recorded by the GPS tracker in March 2019. In the same period, a satisfactory 3% decrease has also been recorded under the warehousing and haulage division. The Group will also progressively monitor the consumption patterns for our other business divisions moving ahead.

SUSTAINABILITY REPORT (CONT'D)



In cohesion to this, all transportation lanes are strategically pre-planned to align with our repair and maintenance service providers appointed across 5 various localities, i.e. within Penang, Kedah and Selangor. This not only saved on the number of trips and distances travelled but also trimmed down on out-of-the-way relocation for rectifying vehicle complications and breakdowns en route. Alongside our maintenance schedule, every See Hup operating division has fulfilled its semi-annual inspection rounds with PUSPAKOM for all vehicles.

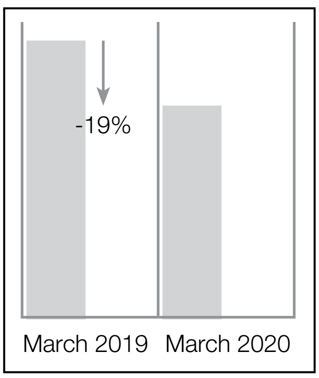
This year, our Group continues to be ambitious with implementing sustainable strategies and minimising adverse impacts on the environment that is simultaneous with our growth as a logistics provider. By ensuring that our vehicles are sustained at optimal working conditions, we were able to curtail increasing levels of exhaust fumes and other pollutants that would otherwise be discharged by vehicles of a subpar or deteriorated state. In detail, a total of 34 vehicles and 8 trailers have been purchased in FY 2020, of which a majority was acquired for the replacement of existing fleet that have been disposed. This indicates that we have reduced our purchases of new vehicles by 38% (21 commercial vehicles) as a result of rigorous vehicle conditioning and upkeep.



Pressing forward, See Hup will continue to be fully involved in all business and operational aspects that may leave a mark on the environment by continuing to acquire and build on new techniques and insights.

Environmental Conservation Efforts

Our employees have played a key role in preventing the depletion of critical resources at all of our locations with their commitment towards energy and water conservation. This is seen in our power-saving practices where unnecessary usage of air-conditioning units, lighting installations and other fixtures are switched off when any part of our premises are vacated or unoccupied. Concerning water sustainability, excessive usage is discouraged at the workplace along with preserving our piping systems and water outlets in good condition. Such measures have proven to be effective in each operating branch as there have not been any unacceptably high surges in our utilisation levels, which we can pinpoint through a monthly moderation exercise on our energy and water consumption patterns. For instance, majority of our transportation and logistics, as well as freight forwarding division had a notable average savings of 19% in our utilities expenses in March 2020, as compared to March 2019.



For the forthcoming year, See Hup plans to gravitate towards the use of renewable energy sources that have been proven to have a lasting and positive impact on our environment. Our eco-friendly endeavour will include the establishment of a solar energy system as a new green initiative for our new facility that is targeted to be completed at the end of the year. Such is the direction that we will pursue to further achieve reductions in our carbon footprint as we invest in new opportunities to incorporate sustainable practices throughout our organisation.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL ENGAGEMENT

As people are invariably centred at the core of our operations, See Hup firmly believes that we are duty-bound to be attentive to our employees and stakeholders, both directly and indirectly connected to our operations. For this reason, we have not spared our emphasis in engendering stronger internal support systems while extending a helping hand to our surrounding communities in the current year.

Health and Safety Initiatives

COVID-19 Mitigation Initiatives in FY2020

In light of the COVID-19 pandemic, our company has reinforced precautionary procedures to ensure that the health and safety of our staff are prioritised with the utmost care to avert the risk of contagion, especially for our truck drivers, warehouse workers and sea and air freight experts who continue to deliver and keep our supply chains afloat amid this crisis. As at the date of this writing, we report that there has been no cases of COVID-19 amongst our employees. See Hup will continue to remain vigilant and alert on all new developments.

Enforcement of Rules and Regulations	Establishment of Response Team	Prioritisation of Critical and Vital Sectors
Our Human Resource team has administered rules and regulations in alignment with the Ministry of Health precautionary measures and has conducted organisation-wide briefings to educate our employees for swift dissemination and adoption.	A working group of responders, along with division team leaders who report directly to the Group Managing Director, has been established for the purpose of overseeing the well-being of our employees with the task of monitoring, updating and responding to daily developments.	Our Management has ensured operational functionality of our supply chains encompassing our warehouse, transportation capacity and port custom clearance performance through the implementation of contingency plans that is targeted at critical and vital sectors of Healthcare and Food and Fast Moving Consumer Goods ("FMCG").

Health and Safety Approach

The health and safety of our employees and stakeholders remain as the cornerstone and precursor to everything we do across our Group's daily operating activities, a large part of which revolves around road travel.

Spearheading the application of health and safety measures enforced within the vicinity of our office spaces as well as work stations out on the field is the following central figures:

Health and Safety Officer	Safety, Health and Environment Committee
Appointed officer who enforces and monitors health and safety measures that are on par with industry standards and best practices.	Designated team of Senior Management at each divisional and operational level to devise, assess and superintend health and safety initiatives.

SUSTAINABILITY REPORT (CONT'D)

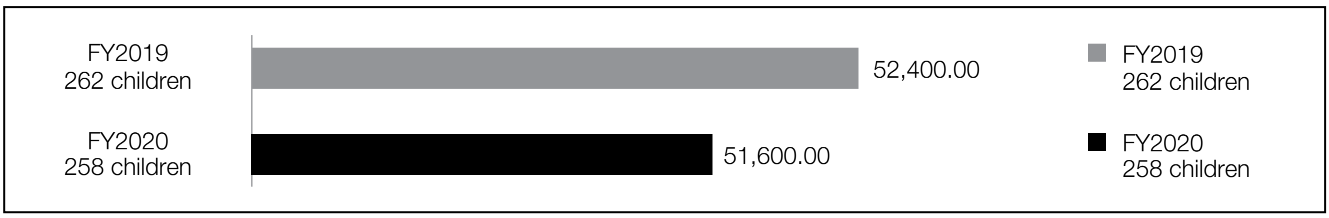
In addition to our dedicated response teams, the protection of our employees and stakeholders is supported with the enforcement of the following practices:

Health and Safety Trainings for Drivers	In line with the Agensi Pengangkutan Awam Darat ("APAD") guidelines, all See Hup drivers are required to undergo a yearly training to reinforce on-the-job competency and awareness.
Health and Safety Standard Operating Procedures ("SOP")	Health and safety policies and procedures that is standardised and streamlined throughout our entire operation: • Safety, Health and Environmental Policy; • Personal Protective Equipment ("PPE"); • Road Transport Safety Policy; • Vehicle Inspection and Conditioning Management; • Fleet Journey Risk Management; and • Accident Reporting and Investigation Procedure.
Safety Equipment	To safeguard our employees from hazards present in our line of work, routine inspection is carried out on the availability and hygienic condition of safety equipment such as respiratory face masks, safety glasses, gloves, protective footwear, earplugs and high visibility safety vests.
First Aid Kits	First aid kits are consistently replenished and are visibly located at accessible locations throughout our premises.
Fire-fighting Equipment	Fire extinguishers, fire hose reels and water tanks are fitted at each of our working facilities and are maintained by our outsourced service providers with expertise in fire safety and security solutions.
Security Surveillance System	Surveillance features guarding all of premises are serviced and supported by trusted security providers to ensure that unauthorised entry attempts are inhibited.
Health and Safety Internal Assessment	Led by our Health and Safety Officer, a workplace safety audit was initiated and directed through the assessment of identified risk areas over the aforesaid measures as outlined in our inspection checklist: • Management of overall health and safety; • Safety of vehicles, machinery and equipment; • Oversight of driver recruitment and skill assessment; • Emergency procedures and respondents; • Documentation of health and safety records; and • Compliance of applicable regulations.

The successful implementation of our health and safety approach is largely attributive of the general awareness and cooperation of our staff as well as the enduring commitment to uphold Occupational Safety and Health Act 1994 and Factories and Machinery (Amendment) Act 206. Close monitoring of all incidents are recorded and reported to management on a quarterly basis. With this approach in place, we took appropriate measures to report three cases in FY2020 to the Department of Occupational Safety and Health (DOSH) involving a slip and fall case and chemical spillage accidents. The mitigating steps of dispatching for medical care have been taken as well as the removing of identified hazards in order to ensure that our drivers' safety is not compromised. Looking ahead, our Group will strive for continual improvements over the health and safety strategies that are being adopted in order to sustain a safe work environment where our employees have the confidence to perform their duties with confidence and ease of mind.

Employee Welfare and Well-Being

As an on-going commitment, we took the opportunity to give back to our workforce in the midst challenging circumstances, namely the increasing costs of raising families. Attuned to that fundamental need that varies for our employees depending on the number of children in school enrolments year-on-year, See Hup has remained dedicated to supporting all non-executive employees with children who are presently enrolled in Standard 1 to Form 5 (equivalent to primary and secondary schooling) by providing schooling subsidies with a value of RM200 per child without compromise. In doing so this year, a total of 258 children have become recipients of this sponsorship, aggregating to RM51,600 of schooling subsidies that have been disbursed for the benefit of 140 See Hup employees.

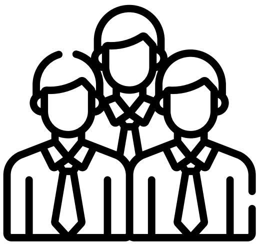


SUSTAINABILITY REPORT (CONT'D)

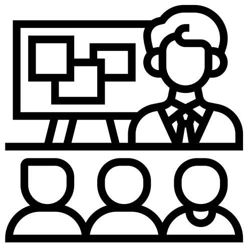
To foster greater team synergy and work satisfaction, our Group preserves the practice of organising various events that promote a healthy and holistic work life for our employees. During the year, group participation was strengthened with engaging diversions such as sports games and team-building activities that we hope have been both enjoyable and enriching experiences for our employees.

Vital to our success, See Hup continues to hold the contribution and support of our employees in high esteem. We advocate diversity in our workplace and hope to give our employees the tools that they require to thrive in their respective roles.

On the whole, 163 of our employees, a sizeable 37% of total employees, participated in 26 various training courses during FY2020. Drawing from the support of the Human Resource Development Fund ("HRDF"), a total of RM 64,494 was dispensed for training and development expenditures. The selected courses and programs were tailored to equip our workforce with professional, personal and industry specific technical expertise.



163 employees



26 training courses

RM64,494 drawn from Human Resource Development Fund

Community Contributions & Donations

See Hup remains dedicated to the local communities we are a part of. Our social responsibility is not only an internal endeavour but is also a partnership with various charitable organisations where stronger relationships have been built through the years. Throughout this year, we have explored ways to promote the welfare of those around us and to share in community outreach and enrichment programs as disclosed below:

Crystal Family Home ("CFH")	CHF is a non-profit organisation that was established in 2009 to help children without a home. • To lend our support in regard to CFH's monthly housing rental costs, we have sponsored a year's worth of rent amounting to RM 20,400. • We took part in a luncheon together with the children of CFH where food was sponsored by See Hup. • Red packets were distributed to all CFH children, volunteers and management staff to share in the festivities.
Grace Family Home ("GFH")	Not forgetting our elders and the older generation, we also contributed red packets to GFH, a retirement home for the elderly that is situated near Penang Hill.
Penang Chinese Chamber of Commerce Charity Fund Committee (SJK (C) Beng Teik)	A donation of RM10, 500 was made to SJK(C) Beng Teik in February 2020 through the Penang Chamber of Commerce Charity Fund Committee, where the organisation focuses in supporting charitable, cultural and education institutions. The fund was donated with the purpose of assisting SJK(C) Beng Teik in maintaining and expanding its facilities, for the betterment of students.
Malaysia Buddhist Association (Cheng Huah Kindergarten)	We have made donations to Cheng Huah Kindergarten, a pre-school that is registered with the Malaysian Ministry of Education to support learning developments in early childhood education.
Persatuan Kebajikan Kanak-Kanak Istimewa Daerah Seberang Perai Selatan ("PERKIS")	As a reassurance to parents and educators and to show we care for their children, donations were made to PERKIS to assist in the organisation's aim to educate children with Cerebral Palsy, Attention Deficit Hyperactive Disorders ("ADHD"), Autism, Down Syndrome and other developmental disorders.
Persatuan Bulan Sabit Merah Malaysia	In continuation of our long-time support, we donated to the Malaysian Red Crescent Society.

A FORWARD LOOK AT SUSTAINABILITY

As a Group, treading the journey of sustainability has been a rewarding venture. Bolstered with the support of individuals and teams who work closely to attain results and to drive value in our economic, environmental and social avenues over the years, we are assured that continuous learning and growth is the right direction for our organisation and therefore, we will continue to channel our efforts towards building a sustainable future here at See Hup.

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	148,500-00	22,000-00
Non-Audit Fees	5,000-00	35,000-00

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 2020

5.1 The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2020 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")	204,078 851,364	Provision of forwarding and transport services in Malaysia to Four Seas Provision of forwarding and transport services in Southern Thailand by Four Seas	***Interested Director/ Major Shareholder*** Surasit Santiwarakom
See Hup Pioneer Logistics (Thailand) Co. Ltd ("SHPL Thailand")	SH Logistics (M) Sdn Bhd	– 457,031	Provision of transport services in Malaysia to SHPL Thailand Provision of transport services in Thailand by SHPL Thailand	***Interested Director/ Major Shareholder/ Person Connected*** Li Chun Huat Li Chau Ging
Tanjung Marine Sdn Bhd	SH Haulage Sdn Bhd	2,010,618	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	393,982	Provision of transportation services to SHPL	***Interested Director/ Major Shareholder*** Datuk Haji Muhadzir Bin Mohd Isa
Biaxis (M) Sdn Bhd	See Hup Group	379,046	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

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
Hong Seng Group	SH Moment Builder Sdn Bhd	33,826	Supply and rental of trucks, equipment and machinery by Hong Seng Group	***Interested Director/ Major Shareholder/ Person Connected*** Teoh Hai Bim / Hong Seng Housing Sdn Bhd
Uni Moment Engineering Builders Sdn Bhd ("Uni Moment")	SH Moment Builder Sdn Bhd ("SH Moment")	4,337,792 169,088	Supply of labour, construction materials, rental of trucks, equipment and machinery to Uni Moment Supply of labour, rental of trucks, equipment and machinery by Uni Moment	***Interested Director/ Major Shareholder*** Lee Kean Leng
Prosful Trading Sdn Bhd	SH Moment	233,647	Rental of trucks, equipment and machinery by SH Moment	***Interested Director/ Major Shareholder*** Lee Kean Leng
SH Moment Builder Sdn Bhd	Hot Colour Furniture Sdn Bhd	194,694	Provision of sub-contracting services for renovations and maintenance works to Hot Colour Sdn Bhd	***Interested Director/ Major Shareholder*** Dato' Teoh Hai Hin Teoh Hai Bim/ Hong Seng Housing Sdn Bhd
Mazs Sdn Bhd	Mazs Marketing (M) Sdn Bhd	137,901	Provision of warehousing and transportation services to Mazs Sdn Bhd	***Interested Director/ Major Shareholder*** Datuk Haji Muhadzir Bin Mohd Isa

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 2020 are as follows :

Recipient -Subsidiaries	Provider	Amount (RM)	Interested Related Party
SH Haulage Sdn Bhd	See Hup Consolidated Berhad	278,720	*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:

<u>Financial Reporting</u>

- Reviewed the quarterly unaudited financial results and the audit findings in relation to the annual audited financial statements of the Group and its related notes to the financial statements for the period ended 31 March 2020 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.

<u>External Audit</u>

- Reviewed and approved the audit plan presented by the external auditors which comprised amongst others, details of the engagement team, audit methodology and materiality, preliminary audit risk assessment, general coverage audit assessment and strategy, fieldwork schedule and scope of audit work for the year.

- Deliberated on the significance of new developments on accounting standards issued by the Malaysian Accounting Standards Board over the Group's financial reporting. The relevant accounting standards were highlighted for reference by the external auditors.

- Considered the external auditors' assessment on the Group's internal control structure in order to ascertain that adequate and effective procedures were established for administration of the Group's financial reporting.

- Carried out an assessment over the performance and independence of the external auditors for the financial year. 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 31 May 2019 and 26 February 2020 to discuss issues of concern to the auditors.

AUDIT COMMITTEE REPORT (CONT'D)

Internal Audit and Control

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

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

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

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

Other Matters

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

Internal Audit Function

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

During the financial year ended 31 March 2020, 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 are re-evaluated according to their likelihood of occurrence and severity of consequence. Existing controls to mitigate and manage these risks are then re-assessed and strengthened.
- No significant risk has been identified which in the event of its occurrence will result in a critical disruption to operations or materially impact its financial performance on a Group basis.

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

Internal Audit Function

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

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

During the financial year, the internal audit function reviewed the internal controls in the key activities of the Group's businesses on the basis of an annual internal audit plan approved by the Audit Committee. The internal audit adopted a risk-based approach and prepared its plan based on the risk profiles of the major business units in the Group. Opportunities for improvement to the system

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

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 2020. The details of the said review can be delineated as follows:-

Internal Audit Visits	Names of Auditees	Audited Areas
First Visit in May 2019	See Hup Group (Northern)	General Safety & Security
Second Visit August 2019	Butterworth Transport Company Sdn Bhd	Procure to Pay
Third Visit November 2019	See Hup Transport (KL) Sdn Bhd	Procure to Pay

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 2020 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 30 June 2020*

MANAGEMENT DISCUSSION AND ANALYSIS

The Outlook

The ongoing COVID-19 pandemic has substantially weakened global growth prospects causing a sharp growth slowdown in the worldwide economy and set the global economy on the pathway of recession in 2020. The International Monetary Fund (IMF) expects the global economy to shrink by 3% in 2020, driven by the Covid-19 pandemic that will spot the steepest slump since the Great Depression of 1930s.

The prediction of a partial rebound in the world economy in 2021 is still undefined and would be depending on the headway of the pandemic. A prolonged pandemic that could endure into the third quarter of the year and possibly will lead to a further shrinkage in 2020 and a slower recovery in 2021 due to concerns on bankruptcies and unemployment. As a result, the pace of recovery remains uncertain given current unfavourable market conditions.

Malaysia's economy is also facing the economy effects repercussions from the unprecedented containment measures taken by the government and triggered a concurrent supply and demand shock. In 2020, Malaysia's GDP projected to be between -2.0% and 0.5%.

The implementation of MCO has resulted in a nationwide shutdown of all non-essential business and eventually triggered our operations to be temporarily scaled down. Nonetheless, logistics being recognized as essential services by the Ministry of International Trade and Industry, majority of our operations resumed in full in April 2020.

The Group is well conscious of the negative impact on the current domestic and global economy as a result of the outbreak of the Covid-19, prospects apart from the already challenging business operating environment. Nonetheless, the Group will continue to focus and improve on operational efficiency and reducing costs to attain a steadier foundation for sustainable development amidst the unprecedented challenges facing by the business will inevitably have a prolonged impact on consumer sentiment in line with the rising of unemployment.

Financial Review

The economy effects outlined above has weighed on See Hup's Group performance for the financial year under review. It is reporting a marginally lower group revenue of RM95.6 million compared to RM95.8 million in the preceding financial year. The lower group revenue was partly due to the movement control order ("MCO") to contain COVID-19 pandemic whereby operations had to be temporarily scaled down.

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 congruently confronted challenging headwinds of competition, increasing operational staff and maintenance costs. The scaled down of operations during the movement control correspondingly put loads of pressure which factored a dip to the group revenue at approximately RM59.7 million (2019: RM66 million) accounting for 64% of Group Revenue (2019: 70%).

Nonetheless, the group's freight forwarding division continue to record favorable growth. The air and sea freight forwarding operations continued to show improved revenue of RM27.6 million (2019: RM25.1 million) representing 30% (2019: 26%) of total reported revenue. Apart from this, SH Moment Builder Sdn Bhd ("SHMB") which is engaged in the business of provision of sub-contracting works contributed RM5.98 million in its second year of operations.

Arising from the challenging operating environment, the Group is reporting a net loss of RM7.85 million compared to last year's net loss of RM4.8 million. The higher losses were due to the impairment loss of trade receivables amounting to RM3.02 million for the supply of construction-related materials.

Similarly, an increase in depreciation charge of RM1.3 million from RM7.6 million in 2019 to RM8.9 million during the year under review was attributable to the acquisition of moveable and non-moveable assets as well as the adoption of MFRS 16. The adoption of MFRS16 requiring a lessee to recognize the right of use of the underlying lease asset and a lease liability reflecting future lease payments. The right of use asset is depreciated in accordance with the principle in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognized in profit or loss.

Group total borrowings increased to RM38.6 million as at financial year end compared to RM33.8 million in the preceding year. The rise in borrowings to fund its capital expenditures and working capital requirements resulted in the Group's financing costs to increase to RM2.04 million against last years incurred amount of RM1.8 million.

As at financial year end, the Group's net cash and cash equivalents amounted to RM9.2 million (2019: RM10.3 million) and net equity of RM75 million rendering into a valuation of RM0.94 per share (2019: RM1.02).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Operational Review

The Group continues to be striving with implementing sustainable strategies and curtailing costs to maintain its competitiveness in the industry. The various subsidiaries in the Group incurred capital expenditure totalling approximately RM4 million in revenue-generating operating assets such as prime movers, tankers, trailers, mixer drum, etc as additional and replacement assets in a progressive strategy to drive further growth and encounter customers' broader requirements as total logistics solutions.

Though the hub of See Hup's business was focusing in the central and northern region of Malaysia, the Group aims to reinforce its business operations in the south with the allocation of new operating assets through Agriplex (M) Sdn Bhd ("Agriplex") and Jentanian Transport and Forwarding Sdn Bhd ("JTF"). During the year, JTF also ventured into strategic collaborations with chemical companies and fast-moving consumer goods companies for providing transportation and distribution services. Both subsidiaries eventually contributed RM16.3 million (2019: RM15.2 million) to total Group revenue during the financial year.

The air and sea freight business operations continue to record favorable growth through focused marketing in the highly industrialized Klang Valley and export-oriented manufacturing hub of Penang state. On the other hand, SHMB in sub-contracting division which possesses CIDB Grade G7 license enables it to bid for building and civil engineering construction works with indefinite contract value. SHMB is persevering to capitalize the license to attain and secure more new projects.

The property owned under Hot Colour Furniture Sdn Bhd ("HCF") which invested by the group last financial year has approximately 120,000 square feet of lettable space enhances the capacity of warehouse storage to the Group over the existing warehouses which located in Bukit Kayu Hitam and Sungai Petani in the state of Kedah. The enhancement of capacity able to cope with the increase in demand for warehouse space from the local and multi-national customer base. HCF's property also comprises an existing office building which will ultimately serve as the Group's corporate head office. This move will augment See Hup's image as a spirited and ideal total logistics service provider to its customers.

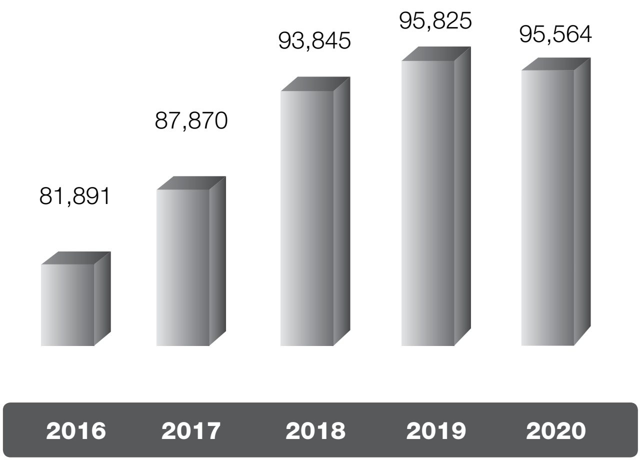
See Hup also pursues to leverage on Maruzen SH Logistics Sdn Bhd's ("MSHL") to venture into the third-party logistics (3PL) warehousing business of handling and distribution of fast-moving consumer products. MSHL is an associate company mainly involved in provision of forwarding, warehousing as well as other related and incidental transportation business and services. During the year, an additional of RM4.4 million was invested to fund its expansion. The successful management of MSHL's 3PL services is expected to enhance See Hup Group's business mission of providing total logistics services to its valued customers and the opportunity to serve its customers with similar requirements in the central and northern regions of Malaysia on the back of MSH's performance.

FINANCIAL HIGHLIGHTS

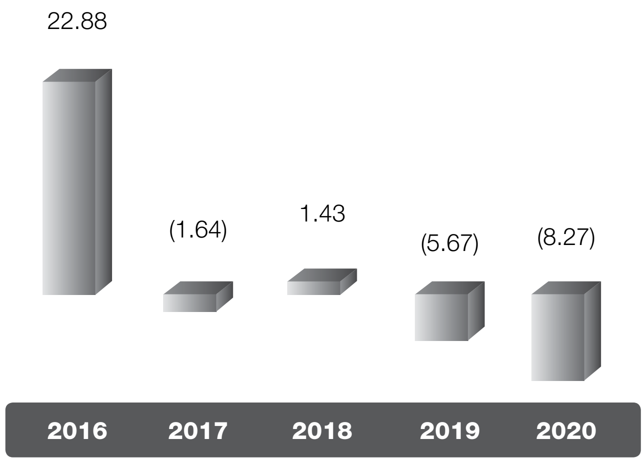
Five Years of Financial Highlights

	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	81,891	87,870	93,845	95,825	95,564
Profit/(Loss) Before Taxation	11,756	89	1,830	(4,375)	(7,371)
Profit/(Loss) After Taxation	11,335	(321)	1,297	(4,819)	(7,847)
Profit/(loss) Attributable to Owners of the Company	11,072	(856)	846	(4,562)	(6,618)
Shareholders' Fund	68,594	66,327	88,064	81,988	75,341
Basic Earnings/(Loss) Per Share (Sen)	22.88	(1.64)	1.43	(5.67)	(8.27)
Net Assets Per share attributable to ordinary equity holders of the parent (Sen)	132.01	126.94	109.51	101.94	93.68

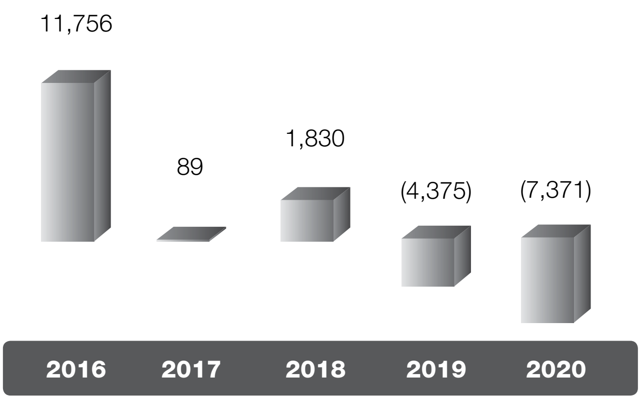
Revenue (RM'000)



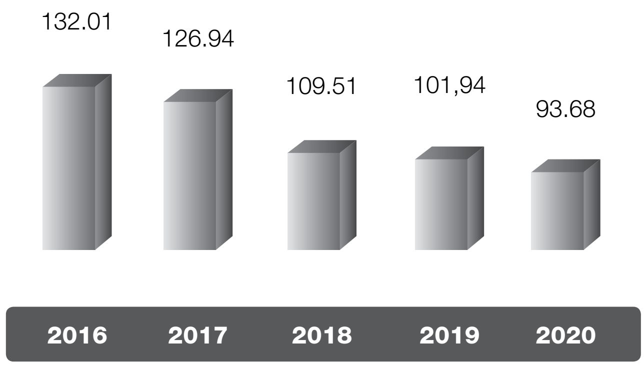
Basic Earnings/(Loss) Per Share (Sen)



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



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



FINANCIAL STATEMENTS

DIRECTORS' REPORT

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 2020.

Principal Activities

The principal activity of the Company is an investment holding. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

Financial Results

	Group RM	Company RM
(Loss)/Profit for the financial year	(7,846,692)	270,696
Attributable to:		
Owners of the parent	(6,617,987)	270,696
Non-controlling interests	(1,228,705)	-
	(7,846,692)	270,696

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

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any 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 2020, the Company held 373,000 treasury shares out of the total 80,426,031 issued ordinary shares. Further relevant details are disclosed in Note 19 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
Lee Yee Huei
Lee Yee Ping
Leong Lee Shan
Li Chau Ging

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	
Prasit Rungnapha	
Surasit Santiwarakom	
Teh Bee Ling	
Teoh Huan Shim	
Tong Wei Wei	
Zulkifli Bin Jaafar	(Appointed on 28.7.2020)
Azhan Bin Mohamed@Omar	(Appointed on 28.7.2020)
Ooi Boon Ewe	(Resigned on 10.5.2019)
Ng Thor Fung	(Resigned on 31.12.2019)

** 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 1.4.2019	Bought	Sold	At 31.3.2020
Interests in the Company				
Direct interests				
Lee Chor Min	600,000	500,000	-	1,100,000
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

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 1.4.2019	**Bought**	**Sold**	**At 31.3.2020**
Interests in the Company				
Deemed interests				
Lee Hean Huat				
- Own	9,363,094	-	-	9,363,094
- Others #	728,900	-	-	728,900
Interests in Subsidiary Companies				
(Mazs Marketing (M) Sdn. Bhd.) *				
Datuk Haji Muhadzir Bin Mohd. Isa	170,000	340,000	-	510,000
(SH Haulage Sdn. Bhd.)				
Haji Shamsul Ariffin B. Mohd Nor	300,000	-	-	300,000

deemed interest by virtue of shares held by spouse/children.
* ceased to be subsidiary company on 29 January 2020.

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

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 35(c) 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 35(b) 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; 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 the amounts written off for 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 8 to the financial statements.

DIRECTORS' REPORT (CONT'D)

Auditors

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

The details of auditors' remuneration are disclosed in Note 28 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 5 August 2020.

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 56 to 184 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 2020 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 5 August 2020.

LEE CHOR MIN	LEE HEAN HUAT

PENANG

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

I, WONG YUEN WAH, 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 56 to 184 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 5 August 2020)

WONG YUEN WAH

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 2020 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 56 to 184.

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 2020, 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' *International Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the 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 RM20,461,374. 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 judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 judgement 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, actions taken to eliminate threats or safeguards applied.

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: 03360/03/2022 J
Chartered Accountant

PENANG
5 August 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	9,636,938	66,509,999	-	-
Right-of-use assets	5	54,052,392	-	-	-
Investment properties	6	21,890,878	22,049,518	-	-
Goodwill on consolidation	7	704,273	704,273	-	-
Investments in subsidiary companies	8	-	-	36,454,367	38,366,860
Investments in associates	9	10,269,208	6,141,635	9,161,901	4,458,226
Other investments	10	81,200	81,200	-	-
Amount due from subsidiary companies	15	-	-	35,229,642	34,185,574
Trade receivables	12	846,618	780,962	-	-
		97,481,507	96,267,587	80,845,910	77,010,660
Current assets					
Inventories	11	740,733	628,731	-	-
Trade receivables	12	19,614,756	23,247,160	-	-
Other receivables	13	3,859,424	3,627,696	33,938	17,556
Contract assets	14	1,549,999	-	-	-
Amount due from subsidiary companies	15	-	-	7,708,465	11,347,167
Tax recoverable		278,266	689,292	-	-
Deposits, cash and bank balances	16	13,563,252	14,857,344	11,417	11,991
		39,606,430	43,050,223	7,753,820	11,376,714
Total assets		137,087,937	139,317,810	88,599,730	88,387,374

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
EQUITY					
Share capital	17	81,109,469	81,109,469	81,109,469	81,109,469
Retained earnings/ (Accumulated losses)	18	(5,396,567)	1,250,486	496,440	225,744
Treasury shares	19	(372,200)	(372,200)	(372,200)	(372,200)
Equity attributable to owners of the parent		75,340,702	81,987,755	81,233,709	80,963,013
Non-controlling interests		7,188,638	7,797,144	-	-
Total equity		82,529,340	89,784,899	81,233,709	80,963,013
LIABILITIES					
Non-current liabilities					
Loans and borrowings	20	21,158,363	18,796,280	1,851,470	2,681,225
Lease liabilities	21	3,935,470	-	-	-
Deferred tax liabilities	22	1,216,135	1,726,761	-	-
Trade payables	23	317,188	334,280	-	-
Other payables	24	134,337	256,095	-	-
		26,761,493	21,113,416	1,851,470	2,681,225
Current liabilities					
Loans and borrowings	20	10,409,120	15,045,589	4,243,607	4,550,969
Lease liabilities	21	5,145,276	-	-	-
Trade payables	23	8,138,081	8,001,581	-	-
Other payables	24	3,932,584	5,352,352	193,299	101,642
Amount due to subsidiary companies	15	-	-	1,002,764	70,604
Provision for taxation		172,043	19,973	74,881	19,921
		27,797,104	28,419,495	5,514,551	4,743,136
Total liabilities		54,558,597	49,532,911	7,366,021	7,424,361
Total equity and liabilities		137,087,937	139,317,810	88,599,730	88,387,374

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 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	25	95,563,779	95,825,060	2,400,000	1,372,122
Other operating income		1,730,031	1,720,786	852,470	907,764
Trading inventories sold		(9,024,691)	(7,623,039)	-	-
Staff costs	26	(24,315,308)	(23,147,464)	(87,000)	(101,000)
Depreciation		(9,002,061)	(7,667,207)	-	-
Net (loss)/gain on impairment of financial instruments		(2,702,781)	478,819	-	-
Operating expenses		(57,164,094)	(61,932,190)	(2,196,170)	(184,226)
(Loss)/Profit from operations		(4,915,125)	(2,345,235)	969,300	1,994,660
Finance costs	27	(2,055,908)	(1,823,916)	(488,587)	(546,902)
Share of results of associates, net of tax		(399,948)	(205,771)	-	-
(Loss)/Profit before tax	28	(7,370,981)	(4,374,922)	480,713	1,447,758
Taxation	29	(475,711)	(444,182)	(210,017)	(174,001)
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ income for the financial year		(7,846,692)	(4,819,104)	270,696	1,273,757
(Loss)/Profit for the financial year representing total comprehensive (loss)/income for the financial year attributable to:					
Owners of the parent		(6,617,987)	(4,561,509)	270,696	1,273,757
Non-controlling interests		(1,228,705)	(257,595)	-	-
		(7,846,692)	(4,819,104)	270,696	1,273,757
Loss per share					
Basic loss per share (sen)	31	(8.27)	(5.70)		
Diluted loss per share (sen)	31	(8.27)	(5.70)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Attributable to owners of the parent					
		Non-distributable		Distributable			
Group	Note	Share capital RM	Treasury shares RM	Retained earnings/ (Accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2019							
- as previously reported		81,109,469	(372,200)	1,250,486	81,987,755	7,797,144	89,784,899
- effect of adopting MFRS 16	2(a)	-	-	(1,520)	(1,520)	(15,935)	(17,455)
As restated		81,109,469	(372,200)	1,248,966	81,986,235	7,781,209	89,767,444
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(6,617,987)	(6,617,987)	(1,228,705)	(7,846,692)
Transactions with owners:							
Additional subscription in subsidiary companies	8(c)				-	612,500	612,500
Disposal of subsidiary companies	8(d)	-	-	-	-	(68,912)	(68,912)
Disposal of equity interest in subsidiary companies	8(e)	-	-	(27,546)	(27,546)	92,546	65,000
Total transactions with owners		-	-	(27,546)	(27,546)	636,134	608,588
At 31 March 2020		81,109,469	(372,200)	(5,396,567)	75,340,702	7,188,638	82,529,340

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		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		-	-	(60,479)	(60,479)	(8,521)	(69,000)
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 parent	32	-	-	(1,440,959)	(1,440,959)	-	(1,440,959)
Acquisition of subsidiary companies	8(b)	-	-	-	-	7,102,206	7,102,206
Disposal of equity interest in subsidiary companies	8(e)	-	-	(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 2020

		Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Retained earnings RM**	**Total equity RM**
At 1 April 2019		81,109,469	(372,200)	225,744	80,963,013
Profit for the financial year, representing total comprehensive income for the financial year		-	-	270,696	270,696
At 31 March 2020		81,109,469	(372,200)	496,440	81,233,709
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 parent/ Total transactions with owners	32	-	-	(1,440,959)	(1,440,959)
At 31 March 2019		81,109,469	(372,200)	225,744	80,963,013

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Cash flows from operating activities				
(Loss)/Profit before tax	(7,370,981)	(4,374,922)	480,713	1,447,758
Adjustments for:				
Bad debts written off	2,887	-	-	-
Depreciation of:				
- property, plant and equipment	4,637,535	7,596,096	-	-
- right-of-use assets	4,293,111	-	-	-
- investment properties	71,415	71,111	-	-
Dividends income	-	(20,122)	(2,400,000)	(1,372,122)
Gain on disposal of:				
- property, plant and equipment	(350,003)	(282,596)	-	-
- investment properties	(92,375)	(58,199)	-	-
Finance costs	2,043,015	1,796,272	488,587	546,902
Finance income	(390,315)	(751,330)	(852,470)	(907,764)
Impairment losses on investments in subsidiary company	-	-	2,005,350	-
(Gain)/Loss on disposal of subsidiary company	(102,834)	-	36,969	-
Property, plant and equipment written off	2,084	186	-	-
Impairment losses recognised	3,031,651	137,025	-	-
Impairment losses reversed	(328,870)	(304,022)	-	-
Share of results of associates	399,948	205,771	-	-
Unrealised (gain)/loss on foreign exchange	(2,646)	20,289	-	-
Operating profit/(loss) before working capital changes	5,843,622	4,035,559	(240,851)	(285,226)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Operating profit/(loss) before working capital changes (Cont'd)		5,843,622	4,035,559	(240,851)	(285,226)
Changes in working capital:					
Inventories		(117,287)	(492,033)	-	-
Receivables		(155,301)	8,099,011	(16,383)	120,970
Contract assets		(1,549,999)	-	-	-
Payables		(691,243)	808,898	91,656	32,492
Cash generated from/ (used in) operations		3,329,792	12,451,435	(165,578)	(131,764)
Dividends received		-	20,122	-	1,372,122
Tax paid		(963,786)	(1,204,160)	(155,057)	(150,719)
Tax refund		524,377	523,013	-	10,130
Net cash from/(used in) operating activities		2,890,383	11,790,410	(320,635)	1,099,769
Cash flows from investing activities					
Acquisition of property, plant and equipment	4(c)	(1,189,969)	(6,833,480)	-	-
Acquisition of investment properties	6	(320,400)	(320,400)	-	-
Additional of right-of-use assets	5(c)	(768,320)	-	-	-
Net cash outflows arising from acquisition of subsidiary companies	8(b)	-	(7,287,538)	-	-
Acquistion of associates companies	9(c)	(4,400,000)	(3,391,512)	-	(3,391,512)
Interest received		390,315	751,330	711,543	907,764
Proceeds from disposal of:					
- subsidiary company, net of cash	8(d)	50,266	-	204,000	-
- shares to non-controlling interest	8(e)	65,000	20,000	-	-
- property, plant and equipment		402,804	492,985	-	-
- investment properties		500,000	315,000	-	-
Subscription of additional shares by non-controlling interest	8(c)	612,500	-	-	-
Net cash (used in)/from investing activities		(4,657,804)	(16,253,615)	915,543	(2,483,748)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Cash advanced from subsidiary companies		-	-	1,030,222	3,459,380
Dividends paid		-	(3,602,398)	-	(3,602,398)
Net changes on bankers' acceptance		(156,000)	(541,000)	-	-
Interest paid		(2,043,015)	(1,796,272)	(488,587)	(546,902)
Net changes on revolving credits		172,899	3,480,186	-	-
Payment of lease liabilities		(2,858,106)	-	-	-
Repayment of finance lease liabilities		-	(3,045,417)	-	-
Drawndown of term loans		18,320,400	-	-	-
Repayment of term loans		(12,840,948)	(3,178,362)	(747,936)	(600,354)
Net cash from/(used in) financing activities		595,230	(8,683,263)	(206,301)	(1,290,274)
Net (decrease)/increase in cash and cash equivalents		(1,172,191)	(13,146,468)	388,607	(2,674,253)
Cash and cash equivalents at the beginning 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		9,156,447	10,328,638	(3,431,950)	(3,820,557)
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	16	7,330,398	6,261,844	11,417	11,991
Fixed deposits placed with licensed bank	16	711,826	-	-	-
Short-term fund deposits	16	5,521,028	8,595,500	-	-
Bank overdrafts	20	(4,406,805)	(4,528,706)	(3,443,367)	(3,832,548)
		9,156,447	10,328,638	(3,431,950)	(3,820,557)

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 the Bursa Malaysia Securities Berhad.

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

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, 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 8 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

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

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

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

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 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRSs 2015 - 2017 Cycle:
- Amendments to MFRS 3
- Amendments to MFRS 11
- Amendments to MFRS 112
- Amendments to MFRS 123

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:

MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. MFRS 16 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 ("ROU") 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 ROU 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 statements of cash flows.

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)

MFRS 16 *Leases* (Cont'd)

The ROU 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.

As permitted by the transitional provision of MFRS 16, the Group has elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 April 2019 as an adjustment to the opening balance of retained earnings.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the ROU asset and the lease liability at 1 April 2019 are determined to be the same as the carrying amount of the lease asset and lease liability under MFRS 117 immediately before that date.

The Group has also applied the following practical expedients when applying MFRS 16 to lease previously classified as operating lease under MFRS 117:

- Applied a single discount rate to portfolio of leases with reasonably similar characteristics.
- The Group does not apply the standard to leases which lease terms end within 12 months from 1 April 2019.
- No adjustments are made on transition for leases for which the underlying assets are of low value.
- Excluded initial direct costs form measuring the ROU assets at the date of initial application.
- The Group uses hindsight in determining lease terms for contracts that contain options for extension or termination.

As a result, the leasehold lands and leasehold buildings under property, plant and equipment classification have been reclassified to ROU assets on 1 April 2019 for the Group.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

MFRS 16 *Leases* (Cont'd)

Impact arising from the adoption of MFRS 16 on the financial statements:

Statements of Financial Position

Group	As previously reported RM	MFRS 16 adjustments RM	As restated RM
Assets			
Property, plant and equipment	66,509,999	(51,141,415)	15,368,584
Right-of-use assets	-	52,893,592	52,893,592
Liabilities			
Finance lease liabilities (non-current)	4,214,848	(4,214,848)	-
Finance lease liabilities (current)	3,433,988	(3,433,988)	-
Lease liabilities (non-current)	-	4,683,866	4,683,866
Lease liabilities (current)	-	4,734,602	4,734,602
Equity			
Retained earnings	1,250,486	(1,520)	1,248,966
Non-controlling interests	7,797,144	(15,935)	7,781,209

The following table explains the difference between operating lease commitments disclosed applying MFRS 117 at 31 March 2019, and lease liabilities recognised in the statements of financial position at 1 April 2019.

	Group RM
Operating lease commitments as at 31 March 2019	108,000
Discounted using the incremental borrowings rate at 1 April 2019	(169,688)
Add: Transfer from finance lease obligations upon initial application of MFRS 16	7,648,836
Lease liabilities recognised upon initial adoption of lease definition under MFRS 16	1,839,320
Less: Recognition exemption for short-term leases	(8,000)
Lease liability recognised as at 1 April 2019	9,418,468

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)

MFRS 16 *Leases* (Cont'd)

The weighted average incremental borrowing rate applied to lease liabilities on 1 April 2019 was 5%.

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

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs 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
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 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 16	Covid-19 - Related Rent Concessions	1 June 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022

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 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
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Standards 2018 - 2020 • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
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 new MFRSs and amendments to MFRSs when they become effective.

The initial application of the abovementioned new MFRSs and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(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 amounts of the assets or liabilities 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 provisions 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.

Determining the lease term of contracts with renewal option – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension option. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Basis of Preparation (Cont'd)

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

Judgements

Determining the lease term of contracts with renewal option – Group as lessee (Cont'd)

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

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, investment properties and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU assets 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, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed on Notes 4, 5 and 6 respectively.

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 7.

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 investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8.

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 22.

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 11.

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 financing 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 rendering of 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.

The details of construction contracts are disclosed in Note 14.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables and amount due from subsidiary companies 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 12, 13 and 15 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)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available.

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 37(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.

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 2020, the Group and the Company have tax recoverable and tax payable of RM278,266 and RMNil (2019: RM689,292 and RMNil) and RM172,043 and RM74,881 (2019: RM19,973 and RM19,921) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies

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

(a) Basis of consolidation

(i) Subsidiary companies

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

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

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

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

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

(iii) Disposal of subsidiary companies

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(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.

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.

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates (Cont'd)

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(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(n)(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

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

(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. Property, plant and equipment under installation are not depreciated until the assets are ready for its intended use.

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

Freehold 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.

<u>Leasehold land and buildings</u>

The above accounting policies for property, plant and equipment applies to leasehold land and buildings until 31 March 2019. The leasehold land and buildings were depreciated over the remaining lease period.

Following the adoption of MFRS 16 *Leases* on 1 April 2019, the Group and the Company have reclassified the carrying amount of the leasehold lands and buildings to ROU assets. The policy of recognition and measurement of the right-of-use assets is in accordance with Note 3(e) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) Leases

Policy applicable from 1 April 2019

(a) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses on non-financial assets is in accordance with Note 3(n)(i) to the financial statements.

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 ROU assets under installation until the ROU assets are ready for their intended use.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold lands	Over the remaining lease period
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%
Rented land	Over the remaining lease period
Warehouse	Over the remaining lease period
Hostel	Over the remaining lease period
Office	Over the remaining lease period

The ROU assets are subject to impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

Policy applicable from 1 April 2019 (Cont'd)

(a) As lessee (Cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group applies the lease of low-value assets recognition exemption to leases of office equipment and IT equipment that are considered to be low value.

(b) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. 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.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

(b) As lessor (Cont'd)

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". 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.

Policy applicable before 1 April 2019

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.

As lessee

(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 as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

Policy applicable before 1 April 2019 (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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(f) Investment properties

Investment properties including right-of-use assets held by lessee, 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 lands are 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.

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(n)(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets

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 fair value through profit or loss ("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, amount due from subsidiary companies, deposits, cash and bank balances 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.

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

<u>Debt instruments</u>

A debt security is measured at fair value through other comprehensive income ("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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

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

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 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.

The Group and the Company have not designated any financial assets at FVTPL.

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (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 or 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.

(h) Financial liabilities

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

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.

(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 financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers.*

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) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

3. Significant Accounting Policies (Cont'd)

(m) 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.

(n) Impairment of assets

(i) Non-financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

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

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

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").

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

For trade receivables, other receivables, contract assets 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.

(o) 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)

(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.

(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.

3. Significant Accounting Policies (Cont'd)

(r) Revenue recognition

(i) Revenue from contracts with customers

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

(b) Rendering of services

Revenue from services 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.

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)

(c) Revenue from construction contracts (Cont'd)

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(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.

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, until such time as the assets are substantially ready for their intended use or sale. 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 are 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. Significant Accounting Policies (Cont'd)

(t) Income taxes (Cont'd)

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.

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 entities, 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.

3. Significant Accounting Policies (Cont'd)

(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.

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 presents 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).

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
2020										
Cost										
At 1 April 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
Effect of adopting MFRS 16	-	(23,110,213)	-	(19,828,823)	(11,542,061)	(1,117,253)	(136,010)	-	(694,554)	(56,428,914)
As restated	1,160,542	-	729,987	-	70,313,262	4,568,922	3,047,610	505,687	1,768,763	82,094,773
Additions	-	-	-	-	831,903	26,910	152,385	-	178,771	1,189,969
Disposals	-	-	-	-	(1,628,981)	(495,400)	(2,099)	-	-	(2,126,480)
Written off	-	-	-	-	(1,374,531)	(79,349)	(177,394)	-	(383)	(1,631,657)
Transfer to right-of-use assets	-	-	-	-	(2,052,590)	-	-	-	(619,280)	(2,671,870)
Transfer from right-of-use assets	-	-	-	-	932,555	-	-	-	-	932,555
Reclassification	-	-	-	-	1,149,100	-	-	-	(1,149,100)	-
Disposal of subsidiary company	-	-	-	-	(2,491,808)	-	(114,988)	-	-	(2,606,796)
At 31 March 2020	1,160,542	-	729,987	-	65,678,910	4,021,083	2,905,514	505,687	178,771	75,180,494

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

	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
Depreciation and impairment losses										
At 1 April 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
Effect of adopting MFRS 16	-	(1,481,126)	-	(1,774,318)	(1,846,076)	(159,533)	(26,446)	-	-	(5,287,499)
As restated	-	-	561,101	-	59,230,913	4,416,328	2,240,541	277,306	-	66,726,189
Charge for the financial year	-	-	8,297	-	3,988,015	176,450	365,561	99,212	-	4,637,535
Disposals	-	-	-	-	(1,579,041)	(492,353)	(2,285)	-	-	(2,073,679)
Written off	-	-	-	-	(1,374,516)	(79,342)	(175,715)	-	-	(1,629,573)
	-	-	569,398	-	60,265,371	4,021,083	2,428,102	376,518	-	67,660,472

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

	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
Depreciation and impairment losses (Cont'd)	**-**	**-**	**569,398**	**-**	**60,265,371**	**4,021,083**	**2,428,102**	**376,518**	**-**	**67,660,472**
Transfer to right-of-use assets	-	-	-	-	(101,169)	-	-	-	-	(101,169)
Transfer from right-of-use assets	-	-	-	-	525,061	-	-	-	-	525,061
Disposal of subsidiary company	-	-	-	-	(2,446,481)	-	(94,327)	-	-	(2,540,808)
At 31 March 2020										
Accumulated depreciation	-	-	569,398	-	58,173,940	4,021,083	2,333,775	376,518	-	65,474,714
Accumulated impairment losses	-	-	-	-	68,842	-	-	-	-	68,842
	-	-	569,398	-	58,242,782	4,021,083	2,333,775	376,518	-	65,543,556
Carrying amount										
At 31 March 2020	1,160,542	-	160,589	-	7,436,128	-	571,739	129,169	178,771	9,636,938

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
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)

(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 20 to the financial statements are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Leasehold lands	-	15,481,281
Leasehold buildings	-	15,342,995
Motor vehicles	-	1,033,268
	-	31,857,544

Following the adoption of MFRS 16 on 1 April 2019, the Group had reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5.

(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.

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

Following the adoption of MFRS 16 on 1 April 2019, the Group had reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5.

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

(c) Purchase of property, plant and equipment

The aggregate additional costs 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	
	2020	2019
	RM	RM
Aggregate costs	1,189,969	14,181,219
Less: Finance lease financing	-	(7,347,739)
Cash payments	1,189,969	6,833,480

(d) Leasehold lands and buildings

As at 31 March 2019, the remaining lease term of leasehold lands and buildings are 33 - 54 years.

Following the adoption of MFRS 16 on 1 April 2019, the Group had reclassified the carrying amount of leased assets to ROU assets as disclosed in Note 5.

5. Right-of-use Assets

Group	Leasehold lands RM	Leasehold buildings RM	Motor vehicles and mobile cranes RM	Plant, machinery and containers RM	Furniture, fittings and office equipment RM	Rented land RM	Warehouse RM	Hostel RM	Office RM	Capital work-in-progress RM	Total RM
2020											
Cost											
At 1 April 2019	-	-	-	-	-	-	-	-	-	-	-
Effect of adopting MFRS 16	23,110,213	19,828,823	13,037,805	1,117,253	136,010	145,369	58,626	37,595	265,730	694,554	58,431,978
As restated	23,110,213	19,828,823	13,037,805	1,117,253	136,010	145,369	58,626	37,595	265,730	694,554	58,431,978
Additions	-	-	2,152,324	140,683	126,291	52,714	-	-	149,261	667,431	3,288,704
Reclassification	-	-	316,380	-	-	-	-	-	-	(316,380)	-
Transfer from property, plant and equipment	-	-	2,397,490	-	-	-	-	-	-	274,380	2,671,870
Transfer to property, plant and equipment	-	-	(932,555)	-	-	-	-	-	-	-	(932,555)
At 31 March 2020	23,110,213	19,828,823	16,971,444	1,257,936	262,301	198,083	58,626	37,595	414,991	1,319,985	63,459,997

5. Right-of-use Assets (Cont'd)

	Leasehold lands RM	Leasehold buildings RM	Motor vehicles and mobile cranes RM	Plant, machinery and containers RM	Furniture, fittings and office equipment RM	Rented land RM	Warehouse RM	Hostel RM	Office RM	Capital work-in-progress RM	Total RM
Accumulated depreciation											
At 1 April 2019	-	-	-	-	-	-	-	-	-	-	-
Effect of adopting MFRS 16	1,481,126	1,774,318	2,013,990	159,533	26,446	26,168	13,238	11,487	32,080	-	5,538,386
As restated	1,481,126	1,774,318	2,013,990	159,533	26,446	26,168	13,238	11,487	32,080	-	5,538,386
Charge for the financial year	531,413	540,350	2,688,963	206,514	76,910	79,273	22,694	12,533	134,461	-	4,293,111
Transfer from property, plant and equipment	-	-	101,169	-	-	-	-	-	-	-	101,169
Transfer to property, plant and equipment	-	-	(525,061)	-	-	-	-	-	-	-	(525,061)
At 31 March 2020	2,012,539	2,314,668	4,279,061	366,047	103,356	105,441	35,932	24,020	166,541	-	9,407,605
Carrying amount											
At 31 March 2020	21,097,674	17,514,155	12,692,383	891,889	158,945	92,642	22,694	13,575	248,450	1,319,985	54,052,392

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. Right-of-use Assets (Cont'd)

(a) Assets pledged as securities to financial institutions

The carrying amount of ROU assets of the Group pledged as securities for bank borrowings as disclosed in Note 20 to the financial statements are as follows:

	Group 2020 RM
Leasehold lands	15,369,934
Leasehold buildings	14,879,227
	30,249,161

(b) Assets acquired under lease arrangement

As at 31 March 2020, the carrying amount of leased motor vehicles of the Group was RM6,474,620.

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

(c) Additional costs for right-of-use assets

The aggregate additional costs for the ROU assets of the Group under lease financing and cash payments are as follows:

	Group 2020 RM
Aggregate costs	3,288,704
Less: Lease financing	(2,520,384)
Cash payments	768,320

(d) Leasehold lands and buildings

As at 31 March 2020, the remaining lease term of leasehold lands and buildings are 32 - 53 years.

6. Investment Properties

	Group	
	2020	**2019**
	RM	**RM**
Cost		
At 1 April	22,698,510	22,722,810
Additions	320,400	320,400
Disposals	(500,000)	(344,700)
At 31 March	22,518,910	22,698,510
Accumulated depreciation		
At 1 April	648,992	665,780
Charge for the financial year	71,415	71,111
Disposals	(92,375)	(87,899)
At 31 March	628,032	648,992
Carrying amounts		
At 31 March	21,890,878	22,049,518
Included in the above are:		
At cost		
Freehold lands	18,874,693	19,194,693
Freehold buildings	3,032,357	2,482,959
Commercial properties	611,860	611,860
Capital work-in-progress	-	408,998
	22,518,910	22,698,510
Fair value of investment properties	81,078,000	65,916,901

(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 of 1 year. No contingent rents are charged.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. 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 (RM30 - RM719)	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 2020 RM	2019 RM
Rental income	227,300	53,800
Direct operating expenses:		
- income generating investment properties	(317,683)	(8,881)
- non-income generating investment properties	(1,598)	(33,479)

(d) Highest and best use

The Group's investment properties represent a number of commercial properties that are partially tenanted and two 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)

6. Investment Properties (Cont'd)

(e) Investment properties pledged as securities to licensed banks

Investment properties of the Group amounting to RM15,174,941 (2019: RM14,898,189) have been pledged to secure banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

7. Goodwill on Consolidation

	Group	
	2020	**2019**
	RM	**RM**
Cost		
At 1 April	4,869,202	4,164,929
Addition through business combination	-	704,273
	4,869,202	4,869,202
Less: Accumulated impairment losses	(4,164,929)	(4,164,929)
At 31 March	704,273	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:

	2020	**2019**
	RM	**RM**
Construction contracts	108,321	108,321
Others	595,952	595,952
	704,273	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)

7. 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 5%.

(iv) Revenue is projected to increase by 5% annually via new 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 it carrying amount.

8. Investments in Subsidiary Companies

	Company	
	2020	**2019**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	46,341,997	46,249,140
Less: Accumulated impairment losses	(9,887,630)	(7,882,280)
	36,454,367	38,366,860

Movements in the allowance for impairment losses are as follows:

	Company	
	2020	**2019**
	RM	**RM**
At 1 April	7,882,280	7,882,280
Impairment losses recognised	2,005,350	-
At 31 March	9,887,630	7,882,280

8. 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 (%) 2020	2019	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
SH In Express (M) Sdn. Bhd.	Malaysia	100	100	Hiring of vehicles
Mazs Marketing (M) Sdn. Bhd. ("MMSB")	Malaysia	-	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)

8. 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 (%) 2020	Effective interest (%) 2019	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	51	Letting out of building, plant and machineries and transportation agent
SH Moment Builder Sdn. Bhd. ("SHMB")	Malaysia	51	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	89.6	93.8	Air freight forwarder and transport services provider
SH Supply Chain Sdn. Bhd. ("SHSC")	Malaysia	79.8	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

8. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

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

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2020	2019	2020	2019	2020	2019
	%	%	RM	RM	RM	RM
MMSB	-	23.2%	*	(58,198)	*	123,903
SHPL	43.5%	43.5%	(348,203)	(112,336)	668,572	1,020,160
SHL	49.9%	49.9%	(71,036)	(24,191)	1,613,273	1,684,874
SHGF	17.0%	17.0%	108,271	68,053	662,924	554,653
BDSB	19.7%	19.7%	*	(62,391)	*	77,333
AGSB	30.0%	30.0%	73,991	627,977	(2,229,951)	(2,304,960)
SHH	60.4%	60.4%	*	38,822	*	165,581
SHWL	10.4%	6.2%	33,595	786	120,135	44,885
SHSC	20.2%	11.2%	*	(29,448)	*	35,178
HCF	49.0%	49.0%	(392,790)	(254,539)	6,191,458	6,584,240
SHMB	49.0%	49.0%	*	(452,130)	*	(188,703)
Individually immaterial subsidiaries with non-controlling interests					162,227	-
Total non-controlling interest					7,188,638	7,797,144

* Immaterial subsidiaries with non-controlling interests

8. Investments in Subsidiary Companies (Cont'd)

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

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

(i) Summarised statements of financial position

	SHPL RM	SHL RM	SHGF RM	SHWL RM	AGSB RM
2020					
Non-current assets	8,071,718	2,384,747	963,065	276,538	3,045,141
Current assets	2,706,530	1,914,443	4,628,980	3,870,527	4,809,673
Non-current liabilities	(4,097,683)	(30,511)	(62,706)	(608,673)	(8,375,724)
Current liabilities	(5,143,619)	(1,035,625)	(1,629,789)	(2,385,594)	(6,912,262)
Net assets/(liabilities)	1,536,946	3,233,054	3,899,550	1,152,798	(7,433,172)

	HCF RM
Non-current assets	25,498,729
Current assets	5,387,103
Non-current liabilities	(18,000,000)
Current liabilities	(250,219)
Net assets/(liabilities)	12,635,613

8. Investments in Subsidiary Companies (Cont'd)

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

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

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

	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)

8. Investments in Subsidiary Companies (Cont'd)

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

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

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

	SHPL RM	SHL RM	SHGF RM	AGSB RM	SHWL RM
2020					
Revenue	11,095,221	4,363,768	13,192,036	11,797,784	12,837,315
Profit/(Loss) for the financial year	(800,467)	(142,359)	636,886	246,635	434,994
Total comprehensive income/(loss)	(800,467)	(142,359)	636,886	246,635	434,994

	HCF RM
Revenue	1,077,300
Profit/(Loss) for the financial year	(801,612)
Total comprehensive income/(loss)	(801,612)

8. Investments in Subsidiary Companies (Cont'd)

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

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

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

	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)

8. Investments in Subsidiary Companies (Cont'd)

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

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

(i) Summarised statements of cash flows

	SHPL RM	SHL RM	SHGF RM	SHWL RM	AGSB RM
2020					
Net cash from/(used in) operating activities	1,038,425	(327,523)	1,178,156	904,359	1,841,359
Net cash from/(used in) investing activities	1,800	25,063	(132,327)	(1,929)	(770,076)
Net cash from/(used in) financing activities	(1,200,274)	214,644	(43,275)	(422,918)	(1,014,159)
Net increase/(decrease) in cash and cash equivalents	(160,049)	(87,816)	1,002,554	479,512	57,124

	HCF RM
Net cash from/(used in) operating activities	(289,927)
Net cash from/(used in) investing activities	(614,271)
Net cash from/(used in) financing activities	5,062,131
Net increase/(decrease) in cash and cash equivalents	4,157,933

8. Investments in Subsidiary Companies (Cont'd)

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

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

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

	MMSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
2019						
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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies

Hot Colour Furniture Sdn. Bhd.

In the previous financial year, 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.

In the previous financial year, 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 RM	HCF RM	Total RM
Cash consideration/ Total consideration transferred	382,500	7,713,867	8,096,367

Fair value of identifiable assets acquired and liabilities assumed

	SHMB RM	HCF RM	Total 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)

8. 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)

8. 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.

(c) Additional investment in subsidiary company

On 28 May 2019, SH Moment Builder Sdn. Bhd., a subsidiary company of the Group had increased its paid-up capital from 750,000 to 1,000,000 ordinary shares. The Company had subscribed for an additional of 127,500 new ordinary shares in SHMB, for a total consideration of RM127,500.

On 6 February 2020, SH Moment Builder Sdn. Bhd., a subsidiary company of the Group had increased its paid-up capital from 1,000,000 to 2,000,000 ordinary shares. The Company had subscribed for an additional of 510,000 new ordinary shares in SHMB, for a total consideration of RM510,000.

Subsequently, the completion of the above additional subscriptions, the shareholding of the Company in SHMB remained at 51%.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Subsidiary Companies (Cont'd)

(d) Disposal of subsidiary company

On 29 January 2020, See Hup Consolidated Berhad disposed of its 34% equity interest in Mazs Marketing Sdn. Bhd. for a cash consideration of RM204,000, which had resulted a gain of RM102,834. Upon completion of the disposal, MMSB ceased to be subsidiary company of the Group and become associate company of the Company. The subsidiary company was previously reported as part of the transportation and logistics services segment.

The effect of the disposal of MMSB. on the financial position of the Group as at the date of disposal was as follows:

	2020 RM
Property, plant and equipment	65,988
Inventories	5,285
Trade and other receivables	787,299
Tax recoverable	16,168
Cash and bank balances	153,734
Trade and other payables	(730,875)
Net assets	297,599
Less: Non-controlling interests	(68,912)
Total net assets disposed	228,687
Proceeds from disposal	(204,000)
Fair value of remaing stake	(127,521)
Gain on disposal	(102,834)
Proceeds from disposal	204,000
Less: Cash and bank balances disposed	(153,734)
Net cash outflows from disposal	50,266

There was no disposal in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Subsidiary Companies (Cont'd)

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

2020
SH Supply Chain Sdn. Bhd.

On 17 February 2020, SH Supply Chain Sdn. Bhd., a subsidiary company of the Group had increased its paid-up capital from 400,000 to 445,000 ordinary shares. Non-controlling interest had subscribed for an additional of 45,000 new ordinary shares in SH Supply Chain Sdn. Bhd., for a total consideration of RM45,000.

Upon completion of allotment of shares, Limsa Ekuiti Sdn. Bhd., a wholly-owned subsidiary company of the Group, diluted 8.97% equity interest in SH Supply Chain Sdn. Bhd., decreasing its equity interest from 88.8% to 79.8%. The carrying amount of SH Supply Chain Sdn. Bhd.'s net assets in the Group's financial statements on the date of allotment was RM510,746. The Group recognised increase in non-controlling interests of RM50,876 and a decrease in retained earnings of RM5,876.

SH Worldwide Logistics Sdn. Bhd.

On 20 December 2019, 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 93.8% to 89.58%. The carrying amount of SH Worldwide Logistics Sdn. Bhd.'s net assets in the Group's financial statements on the date of disposal was RM999,358. The Group recognised increase in non-controlling interest of RM41,670 and decrease in retained earnings of RM21,670.

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.

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

			2020	**2019**
	SHWL	**SHSC**	**Total**	**SHWL**
	RM	**RM**	**RM**	**RM**
Carrying amount of non-controlling interest acquired	41,670	50,876	92,546	33,270
Consideration paid by non-controlling interest	(20,000)	(45,000)	(65,000)	(20,000)
Decrease in parent's equity	21,670	5,876	27,546	13,270

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Investments in Subsidiary Companies (Cont'd)

(f) 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.

9. Investments in Associates

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
At cost					
Unquoted shares in Malaysia		9,828,304	4,956,944	9,228,304	4,356,944
Transfer from other investments	10	-	167,685	-	167,685
Unquoted shares outside Malaysia		1,075,866	1,075,866	-	-
		10,904,170	6,200,495	9,228,304	4,524,629
Share of post-acquisition reserves		(568,559)	7,543	-	-
		10,335,611	6,208,038	9,228,304	4,524,629
Less: Accumulated impairment losses		(66,403)	(66,403)	(66,403)	(66,403)
Balance at the end of financial year		10,269,208	6,141,635	9,161,901	4,458,226

Movements in the allowance for impairment losses are as follows:

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
At 1 April		(66,403)	-	(66,403)	-
Transfer from other investments	10	-	(66,403)	-	(66,403)
At 31 March		(66,403)	(66,403)	(66,403)	(66,403)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Investments in Associates (Cont'd)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2020	Effective interest (%) 2019	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	47.6	Property development and investment holding
Kim Ma Supertiles Sdn. Bhd. ("KMS") @^	Malaysia	27.4	27.4	Investment holding
Mazs Marketing (M) Sdn. Bhd. ("MMSB") @	Malaysia	42.8	-	Bonded truck services and bonded warehousin
Maruzen SH Logistics Sdn. Bhd. ("MSHL") ** ^	Malaysia	35.2	-	Forwarding/transport services provider

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Investments in Associates (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2020	Effective interest (%) 2019	Principal activities
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	3.98	33.2	Forwarding/transport services provider
Held through Kimsar Sdn. Bhd.				
Iping United Development Sdn. Bhd. ("Iping") @ ^	Malaysia	47.6	47.6	Investment holding
Northen Malaya Reality Sdn. Bhd. ("NMR") @ ^	Malaysia	47.6	47.6	Investment holding

@ Financial year end 31 March.
* 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 30 September and 31 December, the last management financial statements up to 31 March of the associates have been used.

9. 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	MMSB RM	Total RM
2020									
Current assets	1,300,311	807,468	4,442,836	539,327	11,629,310	135,129	331,256	964,801	20,150,438
Non-current assets	754,596	290,211	250,694	27,921	5,386,174	6,768,823	2,561,983	437,760	16,478,162
Current liabilities	(2,730,715)	(379,389)	(2,872,636)	(148,327)	(5,704,161)	(140,592)	(236,800)	(1,128,614)	(13,341,234)
Non-currrent liabilities	(72,127)	(7,669)	(2,400)	-	-	-	-	(27,030)	(109,226)
Net assets/(liabilities)	(747,935)	710,621	1,818,494	418,921	11,311,323	6,763,360	2,656,439	246,917	23,178,140
Interests in associates	22.8%	49%	49%	50%	39.2%	47.6%	27.4%	42.8%	
Group's share of net assets/(liabilities)	(170,494)	348,204	891,062	209,461	4,432,229	3,222,065	728,927	105,803	9,767,257
Reserves	465,586	-	-	-	233,470	-	95,052	-	794,108
Goodwill/ (negative goodwill)	319,007	(6,354)	(20,755)	11,662	-	(595,717)	-	-	(292,157)
Carrying amount of Group's interests in associates	614,099	341,850	870,307	221,123	4,665,699	2,626,348	823,979	105,803	10,269,208

9. 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	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

9. 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	MMSB RM	Total RM
2020									
Profit/(loss) for the financial year/total comprehensive income/(loss) for the financial year	(345,340)	(160,398)	(41,480)	7,174	(628,199)	32,068	(45,605)	(50,681)	(1,232,461)
Included in the total comprehensive income:									
Revenue	3,840,415	1,057,349	8,267,149	-	2,236,940	-	-	3,067,365	18,469,218
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. Investments in Associates (Cont'd)

(c) Acquisition of associates

2020

(i) On 26 June 2019, Maruzen SH Logistics Sdn. Bhd. an associate company of the Group has increased its paid-up capital from 1,500,000 to 12,500,000 ordinary shares. The Company had subscribed 4,400,000 new ordinary shares in MSHL, for a total consideration of RM4,400,000. The Company direct equity interest in MSHL is 35.20%.

Upon completion of allotment of shares, SH Global Freight Sdn. Bhd., a subsidiary company of the Group, diluted 29.22% equity interest in MSHL, decreasing its equity interest from 33.2% to 3.98%. Therefore, Group effective equity interest in MSHL became 39.18%.

(ii) On 29 January 2020, the Company's equity holding in MMSB reduced from 76.8% to 42.8%, as a result MMSB ceased to be a subsidiary company of the Company and effectively became an associate company. The details of partial disposal of subsidiary company is disclosed in Note 8(d).

2019

(i) 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.

(ii) On 29 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.

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)

10. Other Investments

Group	Unquoted shares in Malaysia RM
2020	
Non-current	
Financial assets measured at fair value through other comprehensive income	
At 1 April/At 31 March	81,200
2019	
Non-current	
Financial assets measured at fair value through other comprehensive income	
At 1 April 2019	248,885
Transfer to investment in associates	(167,685)
At 31 March 2020	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	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. Inventories

	Group	
	2020	2019
	RM	RM
Trading inventories	637,246	539,455
Spare parts and consumables	103,487	89,276
	740,733	628,731
Recognised in profit or loss:		
Inventories recognised as cost of sales	9,024,691	7,623,039

12. Trade Receivables

	Group	
	2020	2019
	RM	RM
Non-current		
Amount due from associates	846,618	780,962
Current		
Trade receivables	19,450,120	20,892,843
Amount due from associates	1,936,493	1,266,573
Amount due from shareholder of a subsidiary company	27,248	11,336
Companies in which certain Directors have substantial financial interests	3,015,604	3,254,236
	24,429,465	25,424,988
Less: Accumulated impairment losses	(4,814,709)	(2,177,828)
	19,614,756	23,247,160
Total trade receivables	20,461,374	24,028,122

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2019: 14 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. Trade Receivables (Cont'd)

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, except for the non-current portion which are not expected to be received within the next 12 months.

Included in amount due from associates is an unsecured amount of RM846,618 (2019: RM911,762) which bear interest at 2% (2019: 2%) per annum and repayable on demand.

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

	Group	
	2020	**2019**
	RM	**RM**
At 1 April	2,177,828	2,275,825
Effect of adopting MFRS 9	-	69,000
As restated	2,177,828	2,344,825
Disposal of subsidiary company	(59,920)	-
Impairment losses recognised	3,031,651	137,025
Amount written off	(5,980)	-
Impairment losses reversed	(328,870)	(304,022)
At 31 March	4,814,709	2,177,828

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.

12. Trade Receivables (Cont'd)

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

Group	Gross amount RM	Loss allowance RM	Net amount RM
2020			
Not past due	10,167,033	(4,832)	10,162,201
Past due:			
Less than 30 days	5,330,937	(5,312)	5,325,625
31 to 60 days	2,014,325	(3,831)	2,010,494
61 to 90 days	1,413,961	(4,425)	1,409,536
More than 90 days	1,560,155	(6,637)	1,553,518
	20,486,411	(25,037)	20,461,374
Credit impaired:			
Individual impaired	4,789,672	(4,789,672)	-
	25,276,083	(4,814,709)	20,461,374
2019			
Not past due	10,947,408	-	10,947,408
Past due:			
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

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

As at 31 March 2020, trade receivables of RM10,299,173 (2019: RM13,080,714) were past due. 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 RM4,789,672 (2019: RM2,074,328), 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)

13. Other Receivables

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Amount due from associates	1,209,456	496,244	28,524	12,716
Companies in which certain Directors have substantial financial interests	-	500	-	-
Other receivables	404,521	778,864	-	-
Prepayments	1,358,845	1,544,165	-	-
Deposits	886,602	807,923	5,414	4,840
	3,859,424	3,627,696	33,938	17,556

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

14. Contract Assets

	Group	
	2020	2019
	RM	RM
Current		
Contract assets		
Labour and handling services	1,549,999	-

The contract assets primarily relate to the Company's rights to consideration for work performed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Amount Due from/(to) Subsidiary Companies

	Company	
	2020	2019
	RM	RM
Amount due from subsidiary companies		
Non-current		
Non-trade related		
Interest bearing	34,985,770	34,003,770
Non-interest bearing	243,872	181,804
	35,229,642	34,185,574
Current		
Trade related		
Non-interest bearing	2,400,000	-
Non-trade related		
Non-interest bearing	5,308,465	11,347,167
	7,708,465	11,347,167
	42,938,107	45,532,741
Amount due to subsidiary companies		
Current		
Non-trade related		
Interest bearing	(1,002,732)	-
Non-interest bearing	(32)	(70,604)
	(1,002,764)	(70,604)

Amount due from/(to) subsidiary companies with interest bearing are unsecured, bear interest ranged from 2.5% - 5% (2019: 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/(to) 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.

Included in amount due from subsidiary company is dividend receivables amounted to RM2,400,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. Deposits, Cash and Bank Balances

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash and bank balances	7,330,398	6,261,844	11,417	11,991
Fixed deposits placed with licensed bank	711,826	-	-	-
Short-term fund deposits	5,521,028	8,595,500	-	-
	13,563,252	14,857,344	11,417	11,991

The effective interest rates and maturities of fixed deposits and short-term fund deposits of the Group as at the end of the reporting period range from 3.33% to 3.65% (2019: 3.63% to 3.66%) per annum and 1 month (2019: 1 month) respectively.

17. Share Capital

	Group and Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	Units	Units	RM	RM
Ordinary shares issued and fully paid:				
At 1 April/At 31 March	80,426,301	80,426,301	81,109,469	81,109,469

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regards 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.

18. Retained Earnings

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. 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

	2020 Number of ordinary shares Units	2020 Amount RM	2019 Number of ordinary shares Units	2019 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 (2019: 373,000 shares) remain unchanged.

20. Loans and Borrowings

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Secured					
Term loans	(a)	23,411,593	17,932,141	2,651,710	3,399,646
Bank overdrafts	(a)	574,849	-	-	-
Finance lease liabilities	(c)	-	7,648,836	-	-
		23,986,442	25,580,977	2,651,710	3,399,646
Unsecured					
Bank overdrafts	(b)	3,831,956	4,528,706	3,443,367	3,832,548
Revolving credits	(b)	3,653,085	3,480,186	-	-
Bankers' acceptance	(b)	96,000	252,000	-	-
		31,567,483	33,841,869	6,095,077	7,232,194

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. Loans and Borrowings (Cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current					
Term loans	(a)	21,158,363	14,581,432	1,851,470	2,681,225
Finance lease liabilities	(c)	-	4,214,848	-	-
		21,158,363	18,796,280	1,851,470	2,681,225
Current					
Term loans	(a)	2,253,230	3,350,709	800,240	718,421
Bankers' acceptance	(b)	96,000	252,000	-	-
Bank overdrafts	(a)	4,406,805	4,528,706	3,443,367	3,832,548
Revolving credits	(b)	3,653,085	3,480,186	-	-
Finance lease liabilities	(c)	-	3,433,988	-	-
		10,409,120	15,045,589	4,243,607	4,550,969
		31,567,483	33,841,869	6,095,077	7,232,194

(a) Bank borrowings

The term loans and bank overdrafts are secured by the followings:

(i) First party legal charge over the leasehold lands and buildings, investment properties and ROU assets of the subsidiary companies as disclosed in Notes 4, 5 and 6 respectively to the financial statements;

(ii) Facilities agreements as principal instrument;

(iii) Certain motor vehicles of the Group as disclosed in Notes 4 and 5 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.

(b) 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)

20. Loans and Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Term loans	3.87 - 6.95	4.57 - 8.45	4.45 - 6.95	6.95
Bankers' acceptance	3.27	4.13 - 5.24	-	-
Bank overdrafts	4.49 - 8.5	5.25 - 7.45	6.47	7.45
Revolving credits	4.23 - 4.53	5.00 - 5.25	-	-
Finance lease liabilities	-	4.96 - 7.24	-	-

(c) Finance lease liabilities

	Group	
	2020	2019
	RM	RM
Minimum lease payments:		
Within one year	-	3,799,000
Later than one year and not later than two years	-	3,265,468
Later than two years and not later than five years	-	1,135,100
	-	8,199,568
Less: Future finance charges	-	(550,732)
Present value of minimum lease payments	-	7,648,836
Present value of minimum lease payments:		
Within one year	-	3,433,988
Later than one year and not later than two years	-	3,114,675
Later than two years and not later than five years	-	1,100,173
	-	7,648,836

In the previous financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. Lease Liabilities

	Group 2020 RM
At 1 April	-
Effect of adopting MFRS 16	9,418,468
As restated	9,418,468
Additions	4,685,509
Interest expense recognised in profit or loss	603,919
Payments	(5,627,150)
At 31 March	9,080,746
Analysed as:	
Repayable within twelve months	5,145,276
Repayable after twelve months	3,935,470
	9,080,746
The maturity analysis of lease liabilities of the Group at the end of the reporting period:	
Minimum lease payments	
Within one year	5,518,682
Later than one year and not later than two years	3,263,026
Later than two years and not later than five years	821,038
	9,602,746
Less: Future finance charges	(522,000)
Present value of minimum lease payments	9,080,746
Present value of minimum lease payments:	
Within one year	5,145,276
Later than one year and not later than two years	3,135,916
Later than two years and not later than five years	799,554
	9,080,746

The Group leases various lands, buildings, plant and machineries, motor vehicles, equipment, warehouse, hostel and office. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The average effective interest rate per annum for lease liabilities ranged from 4.48% to 7.24%.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Deferred Tax Liabilities

	Group 2020 RM	Group 2019 RM
At 1 April	1,726,761	1,862,487
Recognised in profit or loss	(304,290)	(246,677)
(Over)/Under provision in prior years	(206,336)	110,951
At 31 March	1,216,135	1,726,761

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

	Group 2020 RM	Group 2019 RM
Deferred tax assets	(1,397,272)	(1,388,131)
Deferred tax liabilities	2,613,407	3,114,892
	1,216,135	1,726,761

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

Group	Unabsorbed capital allowance RM	Unutilised tax losses RM	Others RM	Total RM
Deferred tax assets				
At 1 April 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)
Disposal of subsidiary companies	8,848	5,533	-	14,381
Recognised in profit or loss	(2,255)	(51,553)	(16,449)	(70,257)
Under/(Over) provision in prior years	67,914	18,547	(39,726)	46,735
At 31 March 2020	(813,352)	(527,745)	(56,175)	(1,397,272)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. Deferred Tax Liabilities (Cont'd)

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

Group	Accelerated allowance RM
Deferred tax liabilities	
At 1 April 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
Disposal of subsidiary company	(14,381)
Recognised in profit or loss	(234,033)
Under provision in prior years	(253,071)
At 31 March 2020	2,613,407

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

	Group	
	2020 RM	**2019 RM**
Unutilised tax losses	17,557,147	14,625,503
Unabsorbed capital allowances	4,438,745	2,834,083
Others	2,109,502	2,062,222
	24,105,394	19,521,808

With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. 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.

23. Trade Payables

	Group	
	2020	**2019**
	RM	**RM**
Non-current		
Amount due to associates	317,188	334,280
Current		
Trade payables	6,851,686	7,154,284
Amount due to associates	798,870	643,345
Amount due to shareholder of a subsidiary company	231,852	143,289
Amount due to related parties	254,475	60,663
Retention sum	1,198	-
	8,138,081	8,001,581
	8,455,269	8,335,861

Credit terms of trade payables of the Group ranged from 7 to 90 days (2019: 7 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, 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)

24. Other Payables

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current				
Other payables	43,687	183,179	-	-
Shareholders of a subsidiary company	90,650	72,916	-	-
	134,337	256,095	-	-
Current				
Other payables	530,892	623,826	18,639	2,642
Amount due to associates	82,345	117,606	-	-
Shareholders of a subsidiary company	190,000	1,010,251	-	-
Amount due to related parties	-	190,000	-	-
Deposits	241,559	250,855	-	-
Accruals	2,887,788	3,159,814	174,660	99,000
	3,932,584	5,352,352	193,299	101,642
	4,066,921	5,608,447	193,299	101,642

Amount due to associates, shareholders of a subsidiary company and related parties are unsecured, non-interest bearing 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)

25. Revenue

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Revenue from contracts with customers:				
Sale of goods	398,008	17,316,813	-	-
Rendering of services	93,412,657	76,197,908	-	-
Construction contracts	89,879	379,339	-	-
	93,900,544	93,894,060	-	-
Revenue from other sources:				
Dividends income	-	20,122	2,400,000	1,372,122
Rental of properties	219,600	-	-	-
Rental income from warehousing services	1,443,635	1,910,878	-	-
	1,663,235	1,931,000	2,400,000	1,372,122
	95,563,779	95,825,060	2,400,000	1,372,122

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Timing of revenue recognition:				
At a point in time	93,810,665	93,514,721	-	-
Over time	89,879	379,339	-	-
Total revenue from contracts with customers	93,900,544	93,894,060	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. Revenue (Cont'd)

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

	Transportation and logistics services RM	Trading RM	Construction contracts RM	Total RM
2020				
Major goods and services:				
Sale of goods	-	398,008	-	398,008
Rendering of services	93,412,657	-	-	93,412,657
Construction contracts	-	-	89,879	89,879
Total revenue from contracts with customers	93,412,657	398,008	89,879	93,900,544
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 RM	Trading RM	Construction contracts RM	Others RM	Total RM
Group					
Geopraphical market:					
2020					
Malaysia	93,412,657	398,008	89,879	1,663,235	95,563,779
2019					
Malaysia	76,197,908	17,316,813	379,339	1,931,000	95,825,060

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. Staff Costs

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Salaries, wages and other emoluments	21,151,503	20,225,487	87,000	101,000
Fees	281,500	286,500	-	-
Social security contributions	330,267	533,838	-	-
Defined contribution plans	2,552,038	2,101,639	-	-
	24,315,308	23,147,464	87,000	101,000

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	
	2020	2019	2020	2019
	RM	RM	RM	RM
Executive Directors				
Existing Directors of the Company				
Salaries, wages and other emoluments	1,205,500	1,283,250	-	-
Social security contributions	7,068	6,978	-	-
Fees				
- current year	112,500	98,500	32,000	32,000
- under provision for prior years	-	14,000	-	14,000
Defined contribution plans	173,830	210,566	-	-
	1,498,898	1,613,294	32,000	46,000
Estimated value of benefits-in-kind	42,804	48,310	-	-
	1,541,702	1,661,604	32,000	46,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. 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: (Cont'd)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Existing Directors of the subsidiary companies				
Salaries, wages and other emoluments	2,108,734	2,404,036	-	-
Social security contributions	12,187	11,110	-	-
Fees	169,000	174,000	-	-
Defined contribution plans	307,836	377,231	-	-
	2,597,757	2,966,377	-	-
Estimated value of benefits-in-kind	44,328	56,349	-	-
	2,642,085	3,022,726	-	-
Past Director of the subsidiary companies *				
Salaries, wages and other emoluments	127,800	-	-	-
Social contributions plan	445	-	-	-
Defined contribution plans	5,112	-	-	-
	133,357	-	-	-
Estimated value of benefits-in-kind	5,067	-	-	-
	138,424	-	-	-
Total Executive Directors' remuneration	4,230,012	4,579,671	32,000	46,000

* This represents the remuneration paid to a past Director during the financial year until his retirement on 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. Finance Costs

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Commitment fee	12,893	27,644	-	-
Interest expenses on:				
Bankers' acceptance	12,617	50,258	-	-
Bank overdrafts	336,084	291,813	276,950	263,416
Finance lease liabilities	-	375,354	-	-
Lease liabilties	603,919	-	-	-
Term loans	874,286	1,041,691	200,061	264,686
Revolving credits	175,280	33,657	-	-
Others	40,829	3,499	11,576	18,800
	2,043,015	1,796,272	488,587	546,902
	2,055,908	1,823,916	488,587	546,902

28. (Loss)/Profit before Tax

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Auditors' remuneration				
- Statutory audits				
- current year	148,500	146,100	22,000	22,000
- Under provision in prior years	4,260	2,770	-	-
- Non-audit services	5,000	6,000	5,000	6,000
Bad debts written off	2,887	-	-	-
Depreciation of:				
- property, plant and equipment	4,637,535	7,596,096	-	-
- right-of-use assets	4,293,111	-	-	-
- investment properties	71,415	71,111	-	-
Gain on disposal of:				
- property, plant and equipment	(350,003)	(282,596)	-	-
- investment properties	(92,375)	(58,199)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
(Gain)/Loss on foreign exchange:				
- realised	34,722	178,909	-	-
- unrealised	(2,646)	20,289	-	-
Impairment losses on investments in subsidiary company	-	-	2,005,350	-
Interest income	(390,315)	(751,330)	(852,470)	(907,764)
(Gain)/Loss on disposal of subsidiary company	(102,834)	-	36,969	-
Lease expenses relating to short-term leases:				
- lorry	10,550	-	-	-
- office	45,300	-	-	-
- equipment	20,457	-	-	-
- storage	7,800	-	-	-
- warehouse	28,710	-	-	-
Lease expenses relating to low-value assets:				
- office equipment	29,174	-	-	-
Non-executive Directors' remunerations				
- fees	26,000	26,000	26,000	26,000
- other emoluments	29,000	29,000	29,000	29,000
Operating lease payment				
- minimum lease on office equipment	-	26,446	-	-
Property, plant and equipment written off	2,084	186	-	-
Rental income	(297,600)	(70,450)	-	-
Rental expenses	-	855,156	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Impairment losses on trade receivables	3,031,651	137,025	-	-
Reversal of impairment losses on trade receivables	(328,870)	(304,022)	-	-
Bad debts recovered	-	(311,822)	-	-

29. Taxation

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Current tax				
- Current year	895,384	489,974	196,497	141,000
- Under provision in prior years	90,953	89,934	13,520	33,001
	986,337	579,908	210,017	174,001
Deferred tax				
- Origination and reversal of temporary differences	(304,290)	(246,677)	-	-
- (Over)/Under provision in prior years	(206,336)	110,951	-	-
	(510,626)	(135,726)	-	-
	475,711	444,182	210,017	174,001

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. 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	
	2020 RM	2019 RM	2020 RM	2019 RM
(Loss)/Profit before tax	(7,370,981)	(4,374,922)	480,713	1,447,758
At Malaysian statutory tax rate of 24% (2018: 24%)	(1,769,036)	(1,049,982)	115,371	347,462
Expenses not deductible for tax purposes	1,965,607	2,009,878	657,126	122,847
Income not subject to tax	(705,537)	(1,200,895)	(576,000)	(329,309)
Utilisation of deferred tax assets not recognised	(201,798)	-	-	-
Deferred tax assets not recognised	1,301,858	484,296	-	-
	591,094	243,297	196,497	141,000
(Over)/Under provision in prior years	(115,383)	200,885	13,520	33,001
	475,711	444,182	210,017	174,001

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM19,756,083 (2019: RM16,632,692) and RM7,827,713 (2019: RM6,250,521) 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)

30. 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 1.4.2019 RM	Financing cash flows (i) RM	New lease [Note 21] RM	Effect of adopting MFRS 16 RM	At 31.3.2020 RM
Group					
Term loans	17,932,141	5,479,452	-		23,411,593
Finance lease liabilities	7,648,836	-	-	(7,648,836)	-
Lease liabilities	-	(5,023,231)	4,685,509	9,418,468	9,080,746
Revolving credits	3,480,186	172,899	-	-	3,653,085
Bankers' acceptance	252,000	(156,000)	-	-	96,000
	29,313,163	473,120	4,685,509	1,769,632	36,241,424

	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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

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: (Cont'd)

	At 1.4.2019 RM	Financing cash flows (i) RM	Other changes (iii) RM	At 31.3.2020 RM
Company				
Term loans	3,399,646	(747,936)	-	2,651,710
Amount due from/(to) subsidiary companies	45,462,137	(1,030,222)	(2,496,572)	41,935,343
	48,861,783	(1,778,158)	(2,496,572)	44,587,053

	At 1.4.2018 RM	Financing cash flows (i) RM	Other changes (iii) RM	At 31.3.2019 RM
Term loans	4,000,000	(600,354)	-	3,399,646
Amount due from/(to) subsidiary companies	48,903,322	(3,459,380)	18,195	45,462,137
	52,903,322	(4,059,734)	18,195	48,861,783

(i) The cash flows from term loans, lease liabilities and other bank 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.

(iii) Other changes of the Company include balance payables and additional investment in subsidiary company and associates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Loss per Share

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated loss 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	
	2020 RM	2019 RM
(Loss)/Profit attributable to owners of the parent	(6,617,987)	(4,561,509)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 April	80,426,301	80,426,301
Effect of treasury shares held	(373,000)	(373,000)
Weighted average number of ordinary shares at 31 March	80,053,301	80,053,301
Basic loss per ordinary shares (in sen)	(8.27)	(5.70)

(b) Diluted loss per share

The Group has no dilution in their loss 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)

32. Dividends

	Group and Company	
	2020	2019
	RM	RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
Interim dividends paid in respect of the financial year ended:		
- 31 March 2019 (single-tier dividend of RM0.018 per ordinary share)	-	1,440,959

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

33. Commitments

	Group	
	2020	2019
	RM	RM
Capital expenditure		
Authorised and contract for:		
- Property, plant and equipment	976,150	1,229,042

34. Contingencies

	Company	
	2020	2019
	RM	RM
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to certain subsidiary companies	23,073,575	13,741,975

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. 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.

(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	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
(i) Transactions with subsidiary companies				
- Interest receivable	-	-	852,470	907,764
- Dividend income receivable	-	-	2,400,000	1,352,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. 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	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
(ii) Transactions with associates				
- Transportation and forwarding charges payable	4,746,757	1,404,129	-	-
- Transportation and forwarding charges receivable	6,031,526	4,512,366	-	-
- Dividend income receivable	-	20,122	-	20,122
- Hiring of heavy vehicles receivable	-	11,816	-	-
- Hiring of heavy vehicles payable	-	5,023	-	-
- Rental receivable	56,330	16,800	-	-
- Rental payable	37,017	3,600	-	-
- Software income receivable	1,500	-	-	-
- Interest receivable	16,035	16,207	-	-
- Management fee receivable	183,000	181,200	-	-
- Warehouse income receivable	8,925	5,500	-	-
- Warehouse expenses payable	4,511	2,500	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. 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	
	2020	2019	2020	2019
	RM	RM	RM	RM
(iii) Transactions with companies in which certain Directors of the Company have substantial financial interest				
- Transportation and forwarding charges receivable	-	741,624	-	-
- Transportation and forwarding charges payable	269,901	260,556	-	-
- Warehouse and crane charges receivable	192,150	3,212,642	-	-
- Interest income	101,729	5,049	-	-
- Construction contracts receivable	-	397,701	-	-
- Labour and handling services receivables	4,253,127	-	-	-
- Labour and handling services payables	151,518	-	-	-
- Sales of goods	397,046	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. 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	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
(iv) Transactions with shareholders of certain subsidiary companies				
- Transportation and forwarding charges receivable	198,922	185,151	-	-
- Transportation and forwarding charges payable	851,219	738,051	-	-
- Hiring of heavy vehicles receivable	4,830	4,985	-	-

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Notes 26 and 28 respectively.

36. 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.

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.

36. 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
2020							
Revenue							
External sales	88,834,321	524,940	5,984,918	219,600	95,563,779	-	95,563,779
Inter-segment sales	12,456,542	1,988,023	194,734	3,477,300	18,116,599	(18,116,599)	-
Total revenue	101,290,863	2,512,963	6,179,652	3,696,900	113,680,378	(18,116,599)	95,563,779
Results							
Interest income	762,312	103,544	5,527	3,263,736	4,135,119	(3,744,804)	390,315
Finance costs	(2,175,061)	(314,420)	(66,326)	(1,199,923)	(3,755,730)	1,712,715	(2,043,015)
Dividends income	-	-	-	2,400,000	2,400,000	(2,400,000)	-
Depreciation	9,464,583	554,130	933,046	888,953	11,840,712	(2,838,651)	9,002,061
Other non-cash items	(438,654)	2,694,884	-	-	2,256,230	(96,336)	2,159,894
Share of results of associates	-	-	-	-	-	(399,948)	(399,948)
Segment loss	(2,578,159)	(3,144,817)	(559,532)	(386,679)	(6,669,187)	(701,794)	(7,370,981)
Taxation	(37,561)	39,000	-	(477,150)	(475,711)	-	(475,711)
Segment assets	111,779,896	3,610,656	5,571,344	140,266,129	261,228,025	(124,140,088)	137,087,937
Included in the measurement of segment assets are:							
Capital expenditure	8,462,376	3,000	1,115,346	945,831	10,526,553	(5,727,480)	4,799,073
Investments in associates	1,675,865	-	-	9,161,901	10,837,766	(568,558)	10,269,208

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. 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	(315,153)	(180,422)	1,632	6,626	(487,317)	-	(487,317)
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)

36. Segment Information (Cont'd)

Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment, right-of-use assets and investment properties.

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 2020 RM	Group 2019 RM
Bad debts written off	2,887	-
Loss on disposal of subsidiary company	(102,834)	-
Gain on disposal of:		
- property, plant and equipment	(350,003)	(282,596)
- investment properties	(92,375)	(58,199)
Impairment losses recognised	3,031,651	137,025
Impairment losses reversed	(328,870)	(304,022)
Unrealised (gain)/loss on foreign exchange	(2,646)	20,289
Property, plant and equipment written off	2,084	186
	2,159,894	(487,317)

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

	Group 2020 RM	Group 2019 RM
Tax recoverable	278,266	689,292

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.

37. 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.

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

Group 2020	At amortised cost RM	At FVTOCI RM	Total RM
Financial assets			
Other investments	-	81,200	81,200
Trade receivables	20,461,374	-	20,461,374
Other receivables	2,500,579	-	2,500,579
Deposits, cash and bank balances	13,563,252	-	13,563,252
	36,525,205	81,200	36,606,405
Financial liabilities			
Loans and borrowings	31,567,483	-	31,567,483
Lease liabilities	9,080,746	-	9,080,746
Trade payables	8,455,269	-	8,455,269
Other payables	4,066,921	-	4,066,921
	53,170,419	-	53,170,419
2019			
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. 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)

	At amortised cost
Company	**RM**
2020	
Financial assets	
Other receivables	33,938
Amount due from subsidiary companies	42,938,107
Deposits, cash and bank balances	11,417
	42,983,462
Financial liabilities	
Loans and borrowings	6,095,077
Other payables	193,299
Amount due to subsidiary companies	1,002,764
	7,291,140
2019	
Financial assets	
Other receivables	17,556
Amount due from subsidiary companies	45,532,741
Deposits, cash and bank balances	11,991
	45,562,288
Financial liabilities	
Loans and borrowings	7,232,194
Other payables	101,642
Amount due to subsidiary companies	70,604
	7,404,440

37. 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 and contract assets are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

The gross carrying amounts of credit impaired trade receivables and contract assets 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 and contract assets that are written off could still be subject to enforcement activities.

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 RM23,073,575 (2019: RM13,741,975), 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 RMNil (2019: RM2,703,629) which represent Nil (2019: 10%) of total trade receivables of the Group. The Company has no significant concentration of credit risks except for advances and 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.

37. 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 2020	**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	2,368,525	3,626,950	10,484,849	18,856,909	35,337,233	23,411,593
Bankers' acceptance	96,000	-	-	-	96,000	96,000
Bank overdrafts	4,406,805	-	-	-	4,406,805	4,406,805
Revolving credits	3,653,085	-	-	-	3,653,085	3,653,085
Lease liabilities	5,518,682	3,263,026	821,038	-	9,602,746	9,080,746
Trade and other payables	12,065,073	190,000	301,700	-	12,556,773	12,522,190
	28,108,170	7,079,976	11,607,587	18,856,909	65,652,642	53,170,419

37. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

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

37. Financial Instruments (Cont'd)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	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**
Company					
2020					
Non-derivative financial liabilities					
Other payables	193,299	-	-	193,299	193,299
Amount due to subsidiary companies	1,002,764	-	-	1,002,764	1,002,764
Term loans	943,680	943,680	1,885,221	3,772,581	2,651,710
Bank overdrafts	3,443,367	-	-	3,443,367	3,443,367
Financial guarantee*	23,073,575	-	-	23,073,575	-
	28,656,685	943,680	1,885,221	31,485,586	7,291,140

37. Financial Instruments (Cont'd)

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

(iii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	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
Company					
2019					
Non-derivative financial liabilities					
Other payables	101,642	-	-	101,642	101,642
Amount due to subsidiary companies	70,604	-	-	70,604	70,604
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

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

37. 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 RM23,073,575 (2019: RM13,741,975). 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)

37. 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 RM	Denominated in THB RM	Total RM
Group			
2020			
Trade receivables	557,318	1,991,035	2,548,353
Cash and bank balances	582,435	7,563	589,998
Trade payables	(536,024)	(421,721)	(957,745)
	603,729	1,576,877	2,180,606
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

<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)

37. 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.

Group	Change in currency rate RM	2020 Effect on loss before tax RM	Change in currency rate RM	2019 Effect on profit before tax RM
USD	Strengthened 5%	30,186	Strengthened 5%	21,438
	Weakened 5%	(30,186)	Weakened 5%	(21,438)
THB	Strengthened 5%	78,844	Strengthened 5%	48,015
	Weakened 5%	(78,844)	Weakened 5%	(48,015)

(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 manage 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)

37. 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:

	2020 RM	2019 RM
Group		
Fixed rate instruments		
Financial assets	1,558,444	911,762
Financial liabilities	(9,080,746)	(7,648,836)
	(7,522,302)	(6,737,074)
Floating rate instruments		
Financial assets	5,521,028	8,595,500
Financial liabilities	(31,567,483)	(26,193,033)
	(26,046,455)	(17,597,533)
Company		
Fixed rate instrument		
Financial assets	34,985,770	34,003,770
Floating rate instrument		
Financial liabilities	(7,097,809)	(7,232,194)

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.

37. 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 RM260,465 and RM70,978 (2019: RM175,975 and RM72,322) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

(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).

<u>Non-derivative financial instruments</u>

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.

<u>Financial instruments not carried at fair value</u>

Type	Valuation technique and key inputs	Significant unobservable inputs
Term loans, 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 6.20%)

38. 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.

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	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Total loans and borrowings (Note 20)	31,567,483	33,841,869	6,095,077	7,232,194
Lease liabilities	9,080,746	-	-	-
Less: Deposits, cash and bank balances (Note 16)	(13,563,252)	(14,857,344)	(11,417)	(11,991)
Net debts	27,084,977	18,984,525	6,083,660	7,220,203
Total equity	82,529,340	89,784,899	81,233,709	80,963,013
Gearing ratio (times)	0.328	0.211	0.075	0.089

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

39. 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 5 August 2020.

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 31.3.2020 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	381
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	134
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	3,773
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	78
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	170
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	53
Parcel No 39-01, Type B2/ Office Storey No: G, Building No 4, Taman Juara Jaya, Balakong (Merchant Square)	*27 September 2004	Office (rented out)	1,543 sq ft	Freehold	15 years	102

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

Location	Date of Acquisition*/ Valuation	Description	Approximate Land Area	Approximate Tenure	Approximate Age of Building	Net Book Value at 31.3.2020 RM'000
Lot No 157, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	1 April 2011	Vacant Land	3,189.4237 square meter	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	14,449
No HS(D) 60047, Mukim 01, PT 4447, Seberang Perai Tengah, Pulau Pinang	*25 July 2012	Vacant Land (Depot)	1.5391 Hektar	Leasehold	–	3,229
No HS(D) 60051, Mukim 01, PT 4445, Seberang Perai Tengah, Pulau Pinang	*16 July 2015	Vacant Land (Depot)	0.9813 Hektar	Leasehold	–	4,589
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	–	1,284
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	–	1,284
Lot 3136, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	*11 April 2018	Office / Warehouse	2.602 Hektar	Leasehold	24 years	24,179
A unit of condominium known as Artis 3, Unit No B-28-08, Jalan Jelutong, Seksyen 1, Bandar Jelutong, Daerah Timur Laut, 11600 Pulau Pinang	*22 March 2017	Condominium (vacant)	119 square meter	Freehold	1 year	726

ANALYSIS OF SHAREHOLDINGS
AS AT 4 AUGUST 2020

Issued Shares	:	80,053,301*
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	2.91	478	0.00
100 to 1,000 shares	112	15.51	67,789	0.08
1,001 to 10,000 shares	433	59.97	1,607,470	2.01
10,001 to 100,000 shares	109	15.10	3,354,240	4.19
100,001 to less than 5% of issued shares	42	5.82	34,804,276	43.48
5% and above of issued shares	5	0.69	40,219,048	50.24
	722	100.00	80,053,301	100.00

* The issued shares as per Record of Depositors as at 4 August 2020 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 4 AUGUST 2020

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	1,811,310	2.26
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	YEAP YI FONG	736,700	0.92
20	LHH HOLDINGS SDN. BHD.	728,900	0.91
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	630,000	0.79
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	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR 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 4 AUGUST 2020

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	Direct		Indirect	
Name	**No. of Shares**	**% of Issued Shares**	**No. of Shares**	**% 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.

Subsidiary

SH Haulage Sdn Bhd

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

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SEE HUP CONSOLIDATED BERHAD
(Registration No. 199601018726 (391077-V))
(Incorporated in Malaysia)

FORM OF PROXY
Twenty-Fourth
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-FOURTH ANNUAL GENERAL MEETING of the Company to be held at The Wembley Hotel, Wembley Room 8, Jalan Magazine, 10300 Penang on Monday, 28 September 2020 at 9.45 a.m. and at any adjournment thereof.

	Ordinary Resolutions								
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
FOR									
AGAINST									

(Please indicate with "X" in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion)

Signed this ________day of ____________2020

Signature of Shareholder

Common Seal to be affixed here
if Shareholder is a Corporation

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. A proxy must be of full age. 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 21 September 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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Affix stamp

The Joint Company Secretaries
SEE HUP CONSOLIDATED BERHAD
(Registration No. 199601018726 (391077-V))
170-09-01 Livingston Tower, Jalan Argyll,
10050 George Town, Pulau Pinang, Malaysia

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www.seehup.com.my

See Hup Consolidated Berhad
(Registration No. 199601018726 (391077-V))

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