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

WE REDEFINE LOGISTICS

ANNUAL REPORT 2021

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-fifth ("25th") Annual General Meeting ("**AGM**") of the shareholders of SEE HUP CONSOLIDATED BERHAD ("**SeeHup**" or "**the Company**") will be conducted on a fully virtual basis vide the online meeting platform at https://agm.digerati.com.my/pasb-online (Domain registration number D1A119533) on Wednesday, 29 September 2021 at 9:45 a.m., or at any adjournment thereof, for the following purposes:-

As Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 March 2021 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) Haji Shamsul Ariffin B. Mohd Nor — Ordinary Resolution 1
   (b) Ng Shiek Nee — Ordinary Resolution 2

3. To approve the following payments to Directors of the Company:
   (a) Directors' fees of RM58,000.00 for the financial year ended 31 March 2021. — 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 2022. — 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 ("Proposed Shareholders' Mandate")**

   "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 30 August 2021 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;

6. 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." Ordinary Resolution 7

7. **PROPOSED RENEWAL OF AUTHORITY TO BUY-BACK ITS OWN SHARES BY THE COMPANY ("Proposed Share Buy-Back")**

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

   (i) the maximum number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the 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 RM601,873 of the Company, based on the latest Audited Financial Statements as at 31 March 2021;

   (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." Ordinary Resolution 8

8. **RETENTION OF INDEPENDENT DIRECTOR**

   "THAT subject to and contingent upon the passing of Ordinary Resolution 2, 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, 30 August 2021

Notes:

1. **Virtual Annual General Meeting ("AGM")**

   (a) The 25th AGM of the Company will be conducted on a fully virtual basis through **live streaming and Remote Participation and Voting ("RPV") facilities.** Please refer to the Administrative Guide for the 25th AGM for the procedures to register, participate and vote remotely via the RPV facilities.

   (b) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will **not be allowed** to attend this AGM in person at the broadcast venue on the day of the AGM.

2. **Appointment of Proxy**

   (a) 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.

   (b) 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.

   (c) 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.

   (d) 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.

   (e) 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.

   (f) In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 September 2021 (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 2022.

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 Twenty-fourth AGM held on 28 September 2020 and which will lapse at the conclusion of the Twenty-Fifth 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. Further information on the Proposed Shareholders' Mandate is set out in Part A of the Circular to Shareholders dated 30 August 2021.

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. Further information on the Proposed Share Buy-Back is set out in Part B of the Circular to Shareholders dated 30 August 2021.

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 25th 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 Georgetown, Penang
Tel : 04-2294390
Fax : 04-2265860

PRINCIPAL PLACE OF BUSINESS

No. 1062 Jalan Perusahaan Perai,
13600 Perai, Penang, Malaysia
Tel : 04-688 2688
Fax : 04-688 6249
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))

Transportation & Logistics Services Division

- 100% **See Hup Transport Company Sdn Berhad** (195901000322/3666-U)
- 100% **See Hup Transport (KL) Sdn Bhd** (199101019871/230182-A)
- 100% **Butterworth Transport Company Sendirian Berhad** (196901000474/8818-U)
- 70% **Agriplex (M) Sdn Bhd** (200501023517/705649-D)
- 50.1% **SH Logistics (M) Sdn Bhd** (197201001659/13323-K)
  - 45.5% **See Hup Pioneer Logistics (Thailand) Co Ltd**
- 88.7% **Jentanian Transport and Forwarding Sdn Bhd** (198001010683/64468-D)

Machinery Hire, Sub-Contracting Works & Trading Division

- 100% **See Heng Company Sdn Bhd** (197201001801/13493-H)
- 80.32% **Bentara Dermaga Sdn Bhd** (200101026895/562653-V)
- 51% **SH Moment Builder Sdn Bhd** (201401009865/1085944-V)

Freight Forwarding Division

- 100% **SH In Express (M) Sdn Bhd** (197901000266/44507-K)
- 89.58% **SH Worldwide Logistics Sdn Bhd** (199301008684/263421-K)
- 79.78% **SH Supply Chain Sdn Bhd** (199001010043/201615-K)
- 83% **SH Global Freight Sdn Bhd** (201001004302/888908-A)
- 50% **SH Freight Services Sdn Bhd** (199101012839/223151-D)
- 49% **Tanjung Marine Sdn Bhd** (198201000750/80494-P)
- 49% **Perkapalan Maritime Sdn Bhd** (198201001279/81023-W)

Investment Holding Division

- 100% **Mahajaya View Sdn Bhd** (200501026367/708501-K)
- 100% **Limsa Ekuiti Sdn Bhd** (199301008686/263423-V)
- 51% **Hot Colour Furniture Sdn Bhd** (199601020645/392997-X)
- 47.71% **Kimsar Sdn Bhd** (196801000688/8285-V)

Warehousing & Haulage Division

- 39.18% **Maruzen SH Logistics Sdn Bhd** (201501036609/1161930-M)
- 42.85% **Mazs Marketing (M) Sdn Bhd** (199101004792/215102-A)
- 56.5% **See Hup Pioneer Logistics Sdn Bhd** (200001028191/530798-U)
  - 70% **SH Haulage Sdn Bhd** (200101014560/550317-T)

PROFILE OF DIRECTORS

Lee Chor Min
Group Managing Director
Executive Director

Male, aged 46, 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 73, 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 76, 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 72, 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 54, 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 54, 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.

Mak Cheow Yeong

Independent Non-Executive Director

Male, aged 74, 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 52, Male, Malaysian

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

Working Experience
He joined the Group in 1996 and with his in-depth experience in logistics industry, 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 41, Male, Malaysian

Academic/Professional Qualification
Monash University Foundation Year

Working Experience
Started his career with the Group in 2003. Currently he heads 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 51, 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

Peter Lai Yew Chong
Aged 49, Male, Malaysian

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

Working Experience
He has extensive working experience in Total Logistics Transport.. 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 the Group in 2015 and plays a key role in the growth of the air freight division of the Group.

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 47, 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 currently heads 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

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.

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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (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:

	Directors	Number of meetings attended			
		BOD	AC	NC	RC
Executive	Lee Chor Min	4/4	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	4/4	N/A	N/A	N/A
Non-Executive	Ng Shiek Nee	4/4	5/5	1/1	1/1
	Mak Cheow Yeong	4/4	5/5	1/1	1/1
	Lee Phay Chian	4/4	5/5	1/1	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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

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.

Anti-Bribery and Anti-Corruption Policy

In line with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Board has adopted an Anti-Bribery and Anti-Corruption Policy ("ABAC") that outlines the Group's commitment towards conducting its business ethically and in compliance with all applicable laws and regulations.

The ABAC is available on the Company's website at www.seehup.com.my

II. BOARD COMPOSITION

Composition and Independence of the Board

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

The presence of Independent Non-Executive Directors is 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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

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.

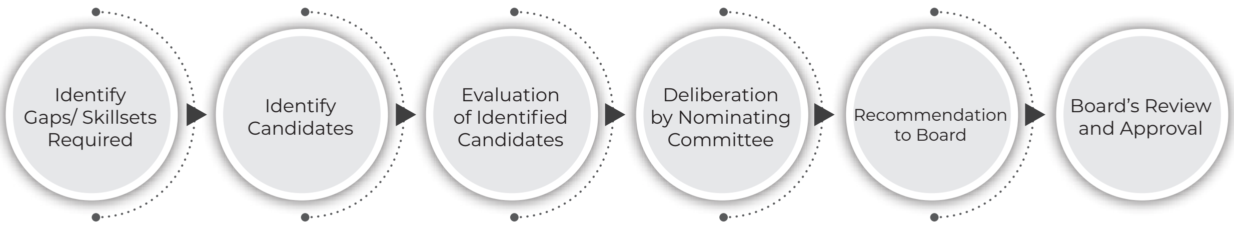
Nominating Committee

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:



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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Recruitment and Annual Assessment of Directors (Cont'd)
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	Section 17A of the Malaysia Anti-Corruption Commission Act 2009
Lee Hean Huat	Section 17A of the Malaysia Anti-Corruption Commission Act
Tuan Haji Shamsul Ariffin B. Mohd Nor	• Section 17A of the Malaysia Anti-Corruption Commission Act 2009 • MIA Webinar: Budget 2021: Key Updates and Changes for Corporate Accountants
Datuk Haji Muhadzir Bin Mohd Isa	Section 17A of the Malaysia Anti-Corruption Commission Act 2009
Lee Phay Chian	• Section 17A of the Malaysia Anti-Corruption Commission Act 2009 • Can you survive a Transfer Pricing Audit?
Ng Shiek Nee	Section 17A of the Malaysia Anti-Corruption Commission Act 2009
Mak Cheow Yeong	Section 17A of the Malaysia Anti-Corruption Commission Act 2009

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.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

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

Details of Directors' Remuneration

Details of the remuneration of the Directors financial year ended 31 March 2021 are as follows:

Category	Fees (RM)		Salaries (RM)		Bonuses (RM)		Benefits in Kind*/ Allowances (RM)		Total Amount (RM)
	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	Company	Subsidiary	
Lee Chor Min *Group Managing Director*	8,000-00	52,500-00	-	429,800-00	-	58,250-00	-	13,320-00*/ 6,000-00	**567,870-00**
Lee Hean Huat *Executive Director*	8,000-00	26,000-00	-	360,500-00	-	52,500-00	-	9,900,-00*	**456,900-00**
Tuan Haji Shamsul Ariffin B. Mohd Nor *Executive Director*	8,000-00	-	-	114,000-00	-	7,000-00	-	7,491-00*	**136,491-00**
Datuk Haji Muhadzir Bin Mohd Isa *Executive Director*	8,000-00	2,000-00	-	64,800-00	-	4,500-00	-	-	**79,300-00**
Ng Shiek Nee *Non-Executive Director*	10,000-00	-	-	-	-	-	11,000-00	-	**21,000-00**
Lee Phay Chian *Non-Executive Director*	8,000-00	-	-	-	-	-	11,000-00	-	**19,000-00**
Mak Cheow Yeong *Non-Executive Director*	8,000-00	-	-	-	-	-	11,000-00	-	**19,000-00**

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 RM1,560,522.

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.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

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.

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.

PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

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 was approved by the Board of Directors on 28 June 2021.

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 Malaysian Financial Reporting Standards, International 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.

OUR NAVIGATION TOWARDS SUSTAINABILITY

In See Hup Consolidated Berhad ("See Hup" or "the Group"), we have faith in the benefits that arise from sustainable development and objectives.

Ascribing to our withstand resilience as a long-established logistics and transportation company, we persevere in impel our business towards the feasible application of sustainable development and evolution across the Group.

We are pillaring and intensifying our industry's presence as a superior provider of supply chain solutions without compromising our exertions to safeguard the surrounding communities and our environment.

We indoctrinate and emphasize the corporate commitment to balance the integration of economic, environmental, and social ("EES") elements into daily business operations to create and maximise the stakeholders' value over the long term and sustainable growth.

In this regard, the following demonstrates our commitment:

REPORTING SCOPE AND BOUNDARIES

This Sustainability Statement sets out the sustainability strategy and approach for See Hup Consolidation Berhad and its subsidiaries (collectively referred to as the "Group"). This statement also illustrates and summarizes the principal sustainability features and practices for the financial year ended 31 March 2021 and key focus areas and future priorities concerning sustainability. The scope includes the coverage of the Group's core nature of transportation and logistics business and key subsidiaries. However, it excludes joint ventures and organizations within its value chain, such as vendors and suppliers, that See Hup does not have managerial control over said organizations' operational matters.

This Statement is completed according 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.

REPORTING SCOPE AND BOUNDARIES (CONT'D)

Furthermore, to disclose to our stakeholders with a detailed report, this Sustainability Statement is to be read in conjunction with the Management Discussion and Analysis ("MDA") revealed together in this Annual Report that sets out both our financial and operational performance for the financial year ended 31 March 2021.

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

Scope of Report	:	1 April 2020 to 31 March 2021
Reporting Cycle	:	Annually
Principle Guidelines	:	Bursa Malaysia's Sustainability Reporting Guide (2nd edition)
Coverage	:	See Hup and its subsidiaries

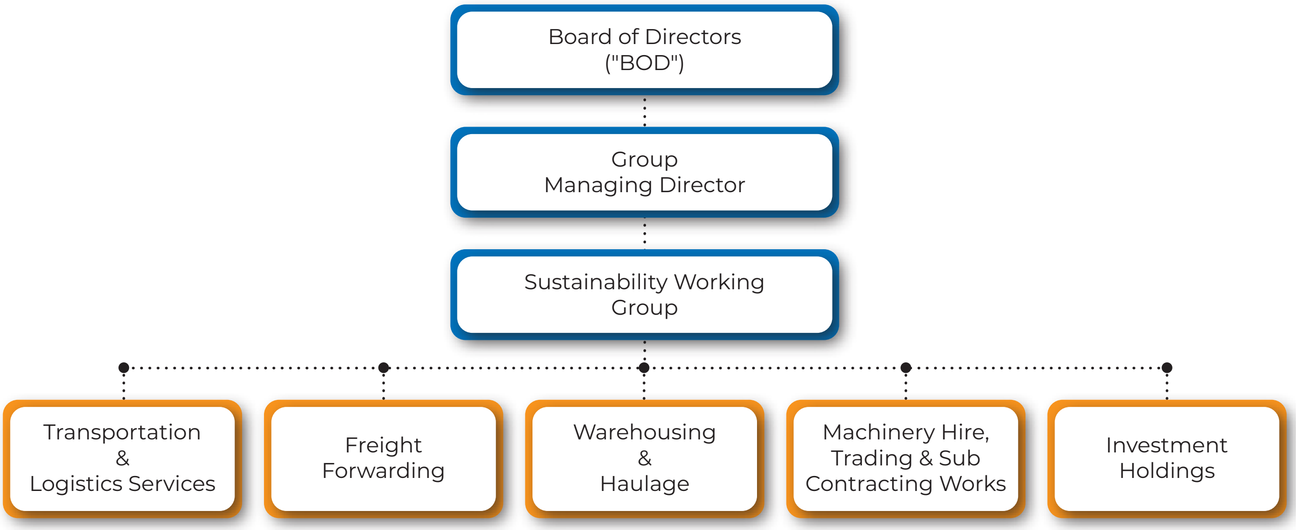
YOUR OPINION MATTERS TO US

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

SUSTAINABILITY GOVERNANCE STRUCTURE

The sustainability governance structure was established as a foundation and direction for corporate sustainability and reporting throughout the Group. The structure comprises three layers of reporting directed by a Sustainability Working Group ("SWG"), encompassing each division's representatives and led by the Group Managing Director. The Group Managing Director reports to the Board of Directors on all subjects related to corporate sustainability. The overall obligation to endorse and infuse corporate sustainability in See Hup's business strategy lies with the Board of Directors.

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



The principal goal of the SWG is to coordinate and facilitate the preparation of the Sustainability Statement in the Annual Report. The SWG was chaired by the Group Managing Director and encompassed Senior Management such as Executive Directors and Head of Department from the respective functional divisions and cross-functional business units of See Hup and its subsidiaries. The formation of SWG allows diverse viewpoints and ideas accordingly embed a sustainable business.

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

On top of the goal, the obligations and function of the SWG comprises supervision 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 meeting on 9 April 2020, joined by senior management such as Executive Directors, Head of Departments, managers and a secretary to discuss and assess the Group's Sustainability's governance structure, stakeholder's engagement analysis and management of sustainability matters.

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

ENGAGEMENT WITH STAKEHOLDERS

See Hup recognize corporate sustainability as the Group commitment to creating long-term value for stakeholders. See Hup has undertaken active actions to meet stakeholders' expectations and acknowledge that the ongoing communication and engagement with stakeholders is essential in defining and prioritizing sustainability matters.

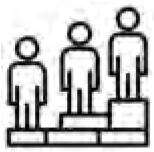
To ensure the substantial economic, environmental, and social matters concerning stakeholders are defined and approached with integrity and efficiency, See Hup engages with stakeholders in various ways to solicit their views. See Hup has assessed its stakeholders by various forms of engagements with the stakeholders and created stakeholder mapping exercises for the year of assessment to evaluate and assess the key stakeholders in terms of influence and dependence on the group.

The mapping exercises also help the management distinguish the key stakeholder's group and prioritize matters that are material to the stakeholders. As a result, the key stakeholder groups are identified and categorized 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 goals, 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
Supplier/ Vendor	• Evaluation and Performance Review • Contract Negotiation • Vendor Registration • Meeting/ Discussion	• Annually • Ad-Hoc • Ad-Hoc • On-Going

ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

Stakeholder	Means of Engagement	Frequency
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

Given the rapidly changing business environment and the constantly shifting of the stakeholders' expectations, the Group will continuously work to meet stakeholders' expectations by growing our scope and coverage towards a broader group of stakeholders.

MATERIALITY ASSESSMENT

Materiality assessment is vital for See Hup to recognize, assess and prioritize the material sustainability matters significant to the business operations and stakeholders. Understanding the three pillars of EES sustainability are critical areas for executing sustainability strategies and initiatives that produce upshots that align with our sustainability roadmap.

See Hup has undertaken extensive efforts to understand better what internal and external stakeholders expect of See Hup's sustainability performance. Our approach, resources, action should be focused on along with how to progress on our goals.

The sustainability materiality assessment aims to identify material issues where the Group is associated and allocate adequate resources to manage the problems strategically. Whilst enabling the Group to map our stakeholders' perspective toward the material matters and the significant issues that may impact them and the Group.

For the financial year ended 31 March 2021, we have reassessed material sustainability matters relevant to our business and stakeholders through a materiality assessment. By consolidating the feedback and assessment collected from our key management personnel with the considerations of all things and concerns, the Group has concluded that the following seven (7) sustainability matters remains essential and relevant as our primary focus for the year of assessment.

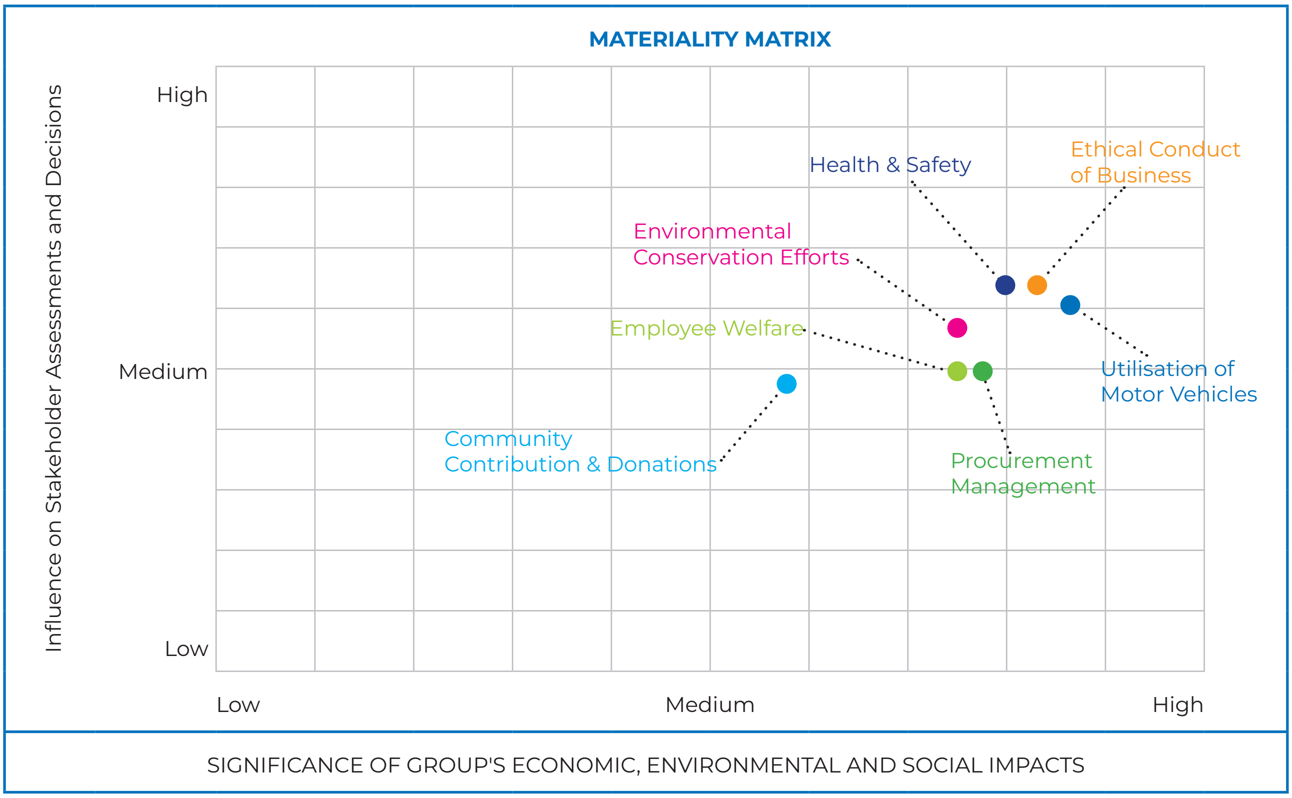
MATERIALITY ASSESSMENT (CON'D)

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

All the Group's material matters are delicately illustrated on the Materiality Matrix (shown below). The materiality matrix was established based on the results of the materiality assessment collected by the SWG from the key management personnel.

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.

Materiality Matrix



MATERIALITY ASSESSMENT (CON'D)

Sustainability Matters

The Group recognizes that the correlation between the sustainability matters is of equal importance and ensures homogeneously executed all efforts at addressing and managing each sustainability matter effectively.

SUSTAINABILITY MANAGEMENT AND FULFILLMENT

ECONOMIC OUTLOOK

The ongoing COVID-19 pandemic has had a significant impact on the global economy and substantially disrupt and weakened global growth prospects causing dismantling development progress in the worldwide economy. Malaysia's economy is also facing the economic effects of the unprecedented containment measures taken by the government and triggered a concurrent supply and demand shock.

Implementing the Movement control order 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, the majority of our operations resumed in full in April 2020.

Sustainability, as one of See Hup's fundamental principles as we have faith that the logistics industry takes on a more significant role and contribution in driving the economic progress for the country. Therefore, our Group has continually strived to preserve its industry competitiveness despite the various challenges. We committed to deliver our total logistic solutions with the lowest cost charged to our stakeholders. These are accomplished through effective management of our supply chain, which empowers the Group to take full advantage of its resources in delivering our promise to the stakeholders.

Ethical Conduct of Business

Pursuant to 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 the best corporate governance practices into our business activities. We are dedicated to ensuring that all of our activities are carried out professionally to deal with all applicable laws, regulation and compliance act and code of corporate governance practices ethically.

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 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, we have established a formal internal evaluation mechanism on top of the current processes and policies and the assistance of external advisory providers to ensure that the priorities of assurance on regulatory requirements are constantly kept abreast and upheld following our ideology of solid commitment to an ethical and transparent operating environment.

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.

Moreover, 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, 2021, there is no case being reported in relation to employees' wrongdoing or unethical activity in the Group.

Furthermore, the Group has established the 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. See Hup group is committed to conducting its business ethically and complying with all applicable laws and regulations. See Hup is devoted to adopt a zero-tolerance policy against all forms of bribery and corruption and take strong stances against such acts in any circumstances.

We also expect our business associates such as suppliers, vendors, consultants, customers, contractors, sub-contractors, agents, and etc, who perform work or services for and on behalf of See Hup will comply with See Hup's Anti Bribery Anti-Corruption policy ("ABAC" Policy) when performing work or services.

To ensure our employees are fully aware of the "ABAC" Policy, our Group also organises training and briefing on "ABAC" compliance for all relevant employees in the financial year 2020.

Referring to the abovementioned initiatives and measures undertaken by the Group, See Hup is committed to ensuring 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.

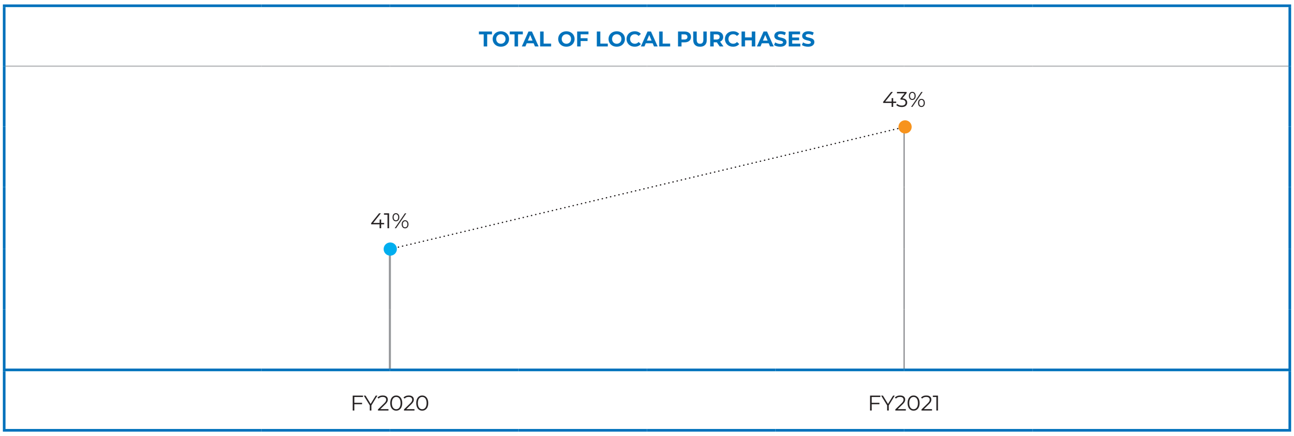
Sustainable Procurement Management

In See Hup, we recognized one of the critical components of corporate sustainability is sustainable procurement management. The objective of corporate sustainability is to generate, preserve, and cultivate long term environmental, social and economic value for See Hup' stakeholders meanwhile delivering products and services to the market.

See Hup group's core vendors and business partners remained the same as in previous years. Our vendors and business partners undertake a vital role in ensuring the Group business operations perform efficiently by reliably providing high standard parts and consistent services at a reasonable price in our business sector. In addition, constant maintenance of our vehicles, tools and equipment to ensure the safety of our employees (i.e., Drivers, Carriers, etc.) is always our primary focus.

Sustainable Procurement Management (Cont'd)

Hereafter, we have taken proper measures to secure a reliable supply of replacement parts and consumables to sustain our activities in repairs and maintenance. We also strive to acquire and source the goods and services within the local region, thus contributing and boosting the local economy. As a result, in Financial Year ("FY") 2021, See Hup managed to procure a higher volume of purchases from a diverse range of local suppliers. Based on the top 25 of our suppliers, 43% of our suppliers were sourced locally in Malaysia (i.e., allocated based on the volume of purchase); hence a 2% increase in local purchases compared to the 41% as recorded in FY 2020, which is demonstrated in the graph below:



See Hup also established the Group Purchasing Procedure and Guideline that provides the standard for sourcing goods and services. This Group Purchasing Procedure and Guideline also provide uniformity and consistency for the purchasing process regarding supplier selection, price negotiation, delivery and contractual agreement with the suppliers, and potential costs saving using the standard group suppliers.

Moreover, the Group constantly enforced strict criteria in the selection and evaluation processes of our suppliers. We have conducted suppliers' evaluations of both new and existing vendors to assess their performances, such as their responsiveness, quality and pricing of products on an annual basis. The assessment result will be presented to the management for review and approval to provide productive feedback for constructive progress of overall operations.

ENVIRONMENTAL SAFEGUARDS

See Hup is heedful of the direct impact our business has on the environment and remains dedicated to environmental safeguarding by forming long-term sustainable solutions. Environmental safeguard is the ability of See Hup to continue working at an operative and sustainable economic level over a longer-term. See Hup also incessantly discovers inventive notions and revolutions to conserve our environment, ensuring that our mother earth and natural resources are preserved for the next generation.

Efficient Utilisation and Upkeep of Vehicles & Heavy Machineries

See Hup has taken proactive actions to manage environment safeguards to navigate towards a greener environment, especially emission mitigation.

To reduce environmental pollutants and hazards generated from operations is our focal point to the pathway of sustainability. In recognizing this, rigorous upkeep and regular maintenance on vehicles, machinery, and equipment used in carrying out our services are executed by our fleet management experts' team.

Monitoring fleet performance, together with real-time mileage tracking, is supported by facilitating GPS devices affixed to all of our commercial vehicles. From the daily reports generated through this system, our fleet monitoring teams could access fluctuating patterns and highlight inefficiencies practically, resulting in the prevention and moderation of excessive fuel consumption and emissions.

Efficient Utilisation and Upkeep of Vehicles & Heavy Machineries (Cont'd)

The Group is constantly monitoring diesel consumption closely, and the utilization efficiency of our subsidiaries is engaged in transportation and logistics, warehousing, and haulage divisions which attributes to 60% of the Group's profits generated in FY2021 correspondingly, have been reviewed and presented to Management on a month-by-month basis.

To ensure we can curb the increasing levels of exhaust fumes and other pollutants, we always examine that our vehicles are operating at optimal working conditions. Furthermore, our repair and maintenance service providers are appointed across 5 various localities, i.e., within Penang, Kedah, Selangor, and Kedah are strategically pre-planned to align with our transportation lanes. This arrangement saved on the number of trips and distances travelled and trimmed down the time and cost for relocation for fixing the glitched vehicle. Every See Hup operational division has fulfilled its biannual inspection rounds with PUSPAKOM for all vehicles in conjunction with our upkeep schedule.

In FY2021, 10 vehicles and 12 trailers have been purchased. Most of the vehicles acquired to replace the existing disposed fleet. This indication indicates that we have reduced our purchases of new vehicles by 70% (24 commercial vehicles) due to preserving vehicle conditioning and upkeep.
Our Group remains to execute sustainable approaches and diminishes adverse impacts on the environment that is concurrent with our development as a total logistics provider.

Environmental Conservation Efforts

See Hup enthusiastically encourages employees to have good practices on resources savings in our day-to-day activities. Our employees have played a vital role in averting the depletion of resources at all of our locations, especially for energy, water, and paper conservation.

The power-saving practices have become See Hup's norm. The unnecessary air-conditioning units, lighting, and other fixtures are switched off when any area of our premises is not occupied. We also use or purchases office equipment with energy-saving features.

Reducing water usage and ameliorate water quality is a vital element of See Hup environmental conservation effort. We continue to actively manage and work toward lowering our corporate's water footmark. We preserve our piping systems and water outlets in good condition, and excessive usage is discouraged at the workplace.

The environmental impact of paper production is significant to note since it has produced adverse effects. The life cycle of paper is damaging to the environment from beginning to end. It starts with a tree being cut down and ends its life by being burned and emitting carob dioxide into the atmosphere. Paper production also uses up lots of water.

To contribute to a greener environment, See Hup advocate Reduce, Reuse and Recycle paper. The group invested in technology across processes to improve overall productivity and enhance greater efficiency in financial reporting, fleet management and operations. With the adoption of digitalization and the paperless revolution, the group is transforming paperless communication from a paper-based organization converting most of the paper and physical records to digital files to create no more physical copies. Other than reducing the usage of paper, our employees also reusing the used papers. For instance, See Hup Group had a notable average savings of 15% on paper usage in FY2021 compared to FY2020.

SOCIAL ENGAGEMENT

See Hup always emphasizes human capitalism as people are always the core contributors of our operations. See Hup resolutely be sure that we are obliged to be attentive to our employees and stakeholders, both directly and indirectly connected to our operations. See Hup believe that human capitalism plays a vital operation model towards the Group's success. Therefore, we always attend to establishing supportive internal support systems while outspreading a helping hand to communities.

Health and Safety Initiative

COVID-19 Mitigation Initiatives in FY2021

See Hup Group has been implementing COVID-19 infection prevention efforts, considering the safety and health of employees our top priority especially for our truck drivers, warehouse workers, sea and air freight experts who remain to deliver and keep our supply chains uninterrupted amid this crisis. The Group is following and complying with the Government's Standard Operating Procedures ("SOP"), including social distancing, hand-washing, wearing masks, implementing working from home, and limiting business travels. The Group has been trying to figure out ways to raise our business efficiency while averting the risk of contagion. See Hup will continue to remain attentive and alert on all new developments of SOP in the new normal to ensure maximum protection for employees and business.

Enforcement of Rules and Regulations	Establishment of Response Team	Prioritisation of Critical and Vital Sectors
Our Human Resource team has administered rules and regulations aligned with the Ministry of Health preventive 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 to oversee 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 customs clearance performance by implementing contingency plans targeted at critical and vital sectors of Healthcare and Food and Fast-Moving Consumer Goods ("FMCG").

Health and Safety Approach

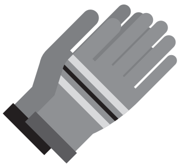
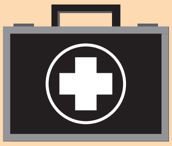
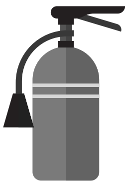
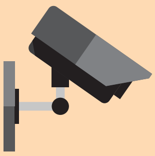
The health and safety of our employees, as well as stakeholders, is our utmost priority. See Hup continually reviews and improves health and safety measures to reinforce the processes, operations, and environment for the employees and related stakeholders.

Leading the application of health and safety measures obligatory within the locality of our office spaces as well as work stations out on the field by applying the following central control:

Health and Safety Officer	Safety, Health and Environment Committee
The appointed officer administers and monitors health and safety measures according to industry standards and best practices.	A designated team of Senior Management at each divisional and operational level to devise, assess and superintend health and safety initiatives.

Health and Safety Approach (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.

Health and Safety Approach (Cont'd)

The productive application of our health and safety approach is mainly attributive of the general awareness and cooperation of our staff as well as the enduring commitment to uphold the Occupational Safety and Health Act 1994 and Factories and Machinery (Amendment) Act 206.

The safety statistics and data of common primary risk factors are analysed to identify the most common injuries faced by our employees as part of See Hup's efforts to enhance the Group's safety performance further. This in-depth analysis data allows the Group to focus on concerns and formulate action plans to mitigate the risk identified.

Close monitoring of all incidents is recorded and reported to management every quarter. With this approach in place, we took appropriate measures to report three accident cases in FY2021 to the Department of Occupational Safety and Health (DOSH). The mitigating steps of dispatching for medical care have been taken, and the removal of identified hazards ensures 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 to sustain a safe work environment where our employees have the confidence to perform their duties with assurance and ease of mind.

Employee Welfare and Well-Being

In See Hup, we always emphasize human capitalism. We always have faith that every employee plays a vital role in the Group's success and value the contributions of all our diverse employees.

See Hup incessantly attract talents to join us by providing a supportive working atmosphere and progress opportunities to feel inspired and contribute their best. We offer an integral welfare scheme and treat all employees equitably on all of our sites.

The Group complies with the various local statutory requirements and regulations on wages and benefits such as minimum wage order, employees' provident fund, and SOCSO. Furthermore, the Group also provides other employee welfare, including hospitalization and surgical insurance coverage, group personnel accident insurance, uniform, personal protective appliances, festive celebration, and other events.

The welfare scheme was as part of See Hup efforts to express the Group's gratitude and commitment to optimum individual work-life amalgamation for See Hup's employees.

Training and Development

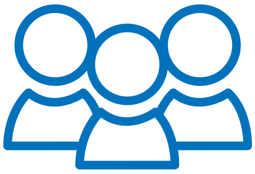
See Hup group conserves the practice of organising various events that endorse a healthy and holistic work-life for our employees to cultivate greater team synergy and work satisfaction. We also foster continuous learning for our employees to enhance their knowledge, skills and competencies in their respective roles.

The group is committed to providing in-house and external training programmes to give opportunities for our employees to attain accredited work-related certifications and knowledge.

Overall, 39 of our employees participated in 9 various virtual online training courses during FY2021. Drawing from the support of the Human Resource Development Fund ("HRDF"), a total of RM 40,332 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. The decline was mainly due to the implementation of COVID-19 preventive and control measures.

Training and Development (Cont'd)

Vital to our achievement, See Hup continues to hold the contribution and support of our employees in high esteem. We encourage diversity in our work and hope to give our employees the tools required to execute their respective roles.



39 employees

9 online virtual training courses

RM40,332 drawn from Human Resource Development Fund

Community Contribution and Donations

See Hup Group remains dedicated and strives to focus on various Corporate Social Responsibility ("CSR") initiatives to the local community. The group persist in serving the local community by regularly contributes fund and in-kind to various charities and foundations to support the underprivileged and less fortunate.

Our social responsibility is not limited to internal endeavour, but we also partner with various charitable organisations where stronger relationships have been built through the years.

Along the journey, we have explored ways to endorse 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. See Hup lend the support in regard to CFH's housing rental costs in FY2021.
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.
Persatuan Bencana Alam Negeri Kedah ("PBANK")	A donation of RM30, 000 was made to Persatuan Bencana Alam Negeri Kedah which is also known as "PBANK" to help victims suffered from natural disaster in the state of Kedah.

A FORWARD LOOK AT SUSTAINABILITY

Striding the journey of sustainability has been a gratifying undertaking. We strive to ensure the notion of sustainability embedded within our corporate culture along the pathway to attain sustainability and drive value in value in our economic, environmental and social boulevards over the years.

We recognized that continuous learning and evolution is the right direction for our organization. Therefore, we will continue to channel our efforts towards building a sustainable future here at See Hup with the support and commitment of every employee of See Hup to attain results.

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	124,500-00	20,000-00
Non-Audit Fees	Nil	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 2021**

   5.1 The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2021 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")	480,965 836,883	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	- 783,737	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	1,828,373	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	354,415	Provision of transportation services to SHPL	***Interested Director/ Major Shareholder*** Datuk Haji Muhadzir Bin Mohd Isa

5. **Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature for the year ended 31 March 2021 (Cont'd)**

5.1 The aggregate value of recurrent related party transactions conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2021 are as follows:- (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 ("SH Moment")	2,580	Supply and rental of trucks, equipment and machinery by Hong Seng Group	***Interested Director/ Major Shareholder/ Person Connected*** *Dato' Teoh Hai Hin / Hong Seng Housing Sdn Bhd*
Uni Moment Engineering Builders Sdn Bhd ("Uni Moment")	SH Moment	3,619,734 302,395	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 / Uni Moment*
Prosful Trading Sdn Bhd ("Prosful")	SH Moment	13,827 360,305	Rental of trucks, equipment and machinery to Prosful Rental of trucks, equipment and machinery by Prosful	***Interested Director/ Major Shareholder*** *Lee Kean Leng / Uni Moment*
SH Moment	Hot Colour Furniture Sdn Bhd ("Hot Colour")	652,500	Provision of sub-contracting services for renovations and maintenance works to Hot Colour	***Interested Director/ Major Shareholder/ Person Connected*** *Dato' Teoh Hai Hin / Hong Seng Housing Sdn Bhd*

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

The amount of financial assistance effected between the Company and its subsidiary via a centralised treasury management function during the financial year ended 31 March 2021 are as follows :

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

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

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

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

MEMBERSHIP

Members of the Committee comprise the following:

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

COMPOSITION

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

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

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

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

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

Quorum shall be the majority of members present.

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

CHAIRMAN OF AUDIT COMMITTEE

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

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

ATTENDANCE AT MEETINGS

The Committee met on five (5) occasions during the financial year. Details of the attendance of the Committee are as follows:

Name of Committee	Attendance
Ng Shiek Nee	5/5
Lee Phay Chian	5/5
Mak Cheow Yeong	5/5

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 2021 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.

ACTIVITIES (CONT'D)

External Audit (CONT'D)

- 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 24 June 2020 and 26 February 2021 to discuss issues of concern to the auditors.

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 2021, 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.

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.

Enterprise Risk Management Framework (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 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 2021. The details of the said review can be delineated as follows:-

Internal Audit Visits	Names of Auditees	Audited Areas
First Visit in June 2020	Agriplex (M) Sdn Bhd	Procure to Pay
Second Visit in August 2020	See Hup Transport Company Sdn Bhd	Procure to Pay
Third Visit in October 2020	See Hup Consolidated Berhad	Human Resource Management

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 2021 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.

The outlook

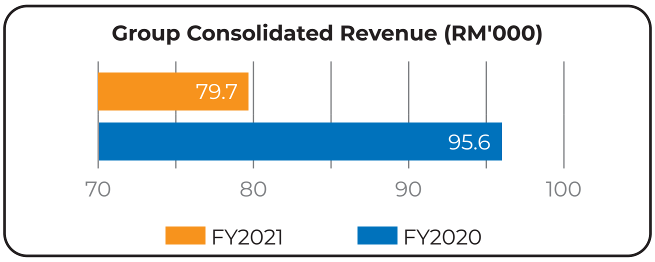
2020 had been a remarkably challenging year due to the COVID-19 outbreak. In Malaysia, the spike of COVID-19 cases following the new wave of infections has prompted the reinstatement of the various Movement Control Order (MCO) by the government to curb the outbreak of COVID-19. The domestic supply and demand factors and the influence of the external sector have led the Malaysian economy to record negative growth for the year 2020. The unprecedented containment measures for COVID-19 impacted many businesses, resulting in weak financial results, global demand cutbacks and knock-on effects of supply chain breakdowns, rising unemployment, and intensified corporate debts.

The logistics and transportation industries are recognized as essential services by the Ministry of International Trade and Industry. Notwithstanding, it is also one of the severely impacted industries by the effect of the global pandemic on the global economy and local supply chain. The implementation of the various MCO resulted in the suspension and restriction of all non-essential business and personal activities, which ultimately caused our operations to be provisionally scaled down.

The negative impact on the economy and business faced by all industry sectors, plus intense competition and the rising cost of doing business, adds further pressure and challenges toward the business operating environment. The Group expects these prolonged challenges to continue to evolve with an extensive level of uncertainty towards the domestic and global economy, which will undoubtedly impact freight transport and logistics demand.

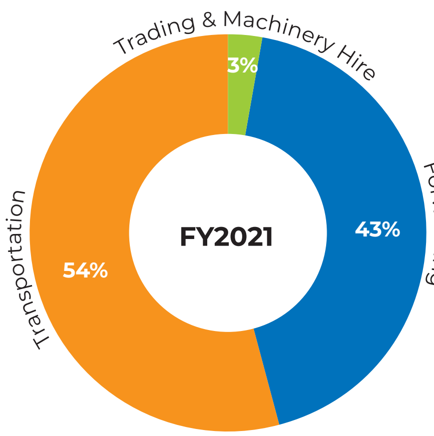
Financial Review

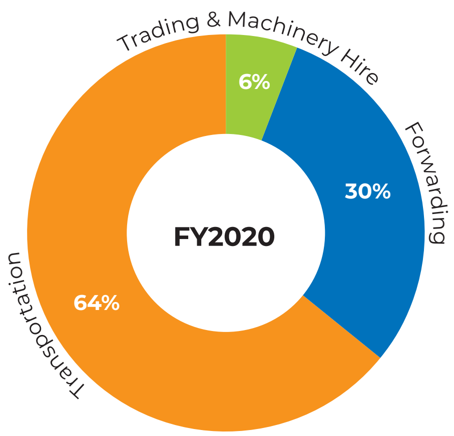
The Group recorded a total revenue of RM79.7 million for the financial year ended 31 March 2021 compared to RM 95.6 million in the preceding financial year, representing a 17% decrease. The effects of the economy outlined above had affected all the divisions in the Group except for the freight forwarding division. Additionally, the operational constraints faced by our customers in their had led to the weak demand for our services.



The scaled-down of operations ultimately put duress on the Group's core business activity of providing transportation and logistics services covering domestic and cross-border inland trucking, container haulage, heavy machinery hire and warehousing; factoring a dip to the Group's revenue at approximately RM42.6 million (2020: RM59.7 million), accounting for 54% of Group Revenue (2020: 64%).

Group Revenue by Segment (Percentage)





The trading & machinery hire also registered a revenue slip of RM2.73 million (2020: RM6.51 million), accounting for 3% of Group Revenue (2020: 6%) mainly contributed by the sub-contracting works. Nonetheless, the Group's freight forwarding division continued to record favorable growth despite the COVID-19 headwinds. As a result, the air and sea freight forwarding operations continued to show improved revenue of RM34.1 million (2020: RM27.6 million), representing 43% (2020: 30%) of total reported earnings.

Group Revenue by Segment (Percentage) (Cont'd)

Rising from the challenging operating environment, the Group reports a net loss of RM4.74 million compared to last year's net loss of RM7.85 million. With the COVID-19 pandemic underlining the economic climate, the loss for the financial year 2021 was mainly effectuated by the decline in Group revenue. Nonetheless, the Group continues to improve operational efficiency and reduce costs to mitigate the fall in group revenue.

Correspondingly, the decrease in depreciation charge of RM1.02 million from RM9.0 million in 2020 to RM7.98 million during the year under review was attributable to the reduction of acquiring new vehicles in conjunction with the rigorous upkeep and regular maintenance on vehicles, machinery, and equipment used in carrying out our services.

Finance Costs has dipped to RM1.53 million compared to RM2.06 million from the last reporting period. The Group has trimmed down all its short-term borrowings to remain its medium-term borrowings with more extended repayment commitments at lower costs in financing acquisitions of property and operating assets. As a result, Group total borrowings decreased to RM30.6 million as at financial year-end compared to RM31.6 million in the preceding year.

As of fiscal year-end, the Group's net cash and cash equivalents amounts to RM6.3 million (2020: RM9.2 million) and net equity of RM71 million, rendering a valuation of RM0.88 per share (2020: RM0.94).

Operational Review

The Group is pleased to announce the relocation of our headquarters in March 2021 to a new facility located at No. 1062, Jalan Perusahaan Perai, 13600 Perai, Penang, Malaysia. Our new corporate office further enhances the Group's image as a dynamic total logistics service provider to all our customers.

The Group remain introspective over the short-term forecasts of our land transport business across the countries where we have our footprints in Malaysia, Thailand and Singapore. See Hup strives to implement sustainable strategies, curtailing costs and improved operational performance to maintain its competitiveness in the industry. In comparison, 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. See Hup Group constantly seeks out growth opportunities through business diversification.

Operational Review (Cont'd)

Barring several waves of COVID-19 outbreak, infrastructure projects such as the East Coast Rail Link ("ECRL") project are gradually back on track.SH Moment Builder Sdn Bhd ("SHMB"), a 51% owned subsidiary of the company which is involved in the construction works and supply of various mechanical equipment secured a RM99.01 million and RM91.0 million contracts in January and June 2021 respectively from China Communications Construction (ECRL) Sdn Bhd for the subgrade works of Package 1 & Package 2 of Section 4 of the East Coast Rail Link (ECRL). The ECRL project is expected to contribute positively to the Group's future revenue.

Incidentally, Maruzen SH Logistics Sdn Bhd's ("MSHL"), which ventured into the third-party logistics (3PL) warehouse handling and distribution of fast-moving consumer products, has started to contribute positively to the group. The effective management of MSHL's 3PL services is projected to augment See Hup Group's revenue and further contribute to the group in the future.

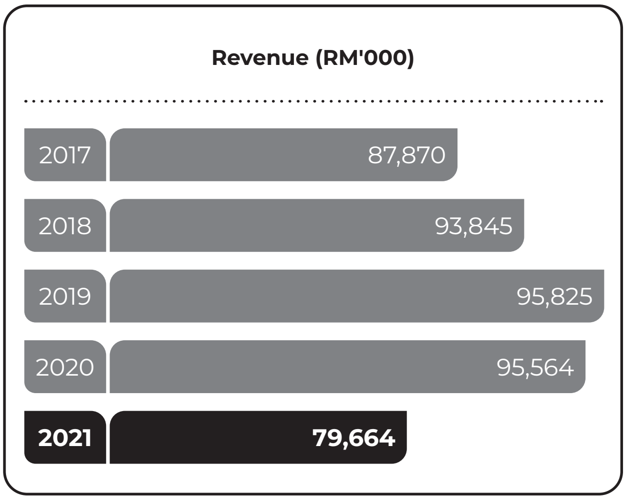
Looking ahead, we expect the business performance for FY2022 to remain very challenging due to the COVID-19 outbreak. Though vaccination efforts are underway, we still have a prolonged period to go until most people are vaccinated. In addition, the pandemic has caused a heavy global toll of deaths and illness, plunged millions into poverty and may continue to depress economic activities and incomes for a lengthy period. Therefore, the near-term outlook remains highly uncertain, and different progress results are still possible.

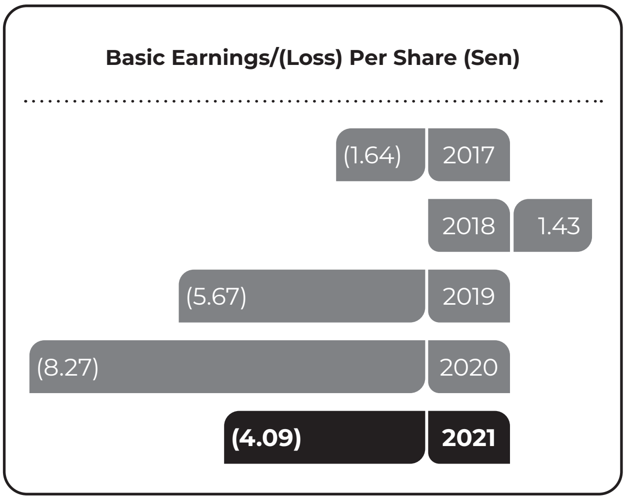
Nonetheless, See Hup has exercised its most extraordinary exertions to remain resilient in sustaining its businesses during the pandemic, mainly through improved performance, capacity and productivity in operations and services to generate long-term sustainable value to See Hup's shareholders.

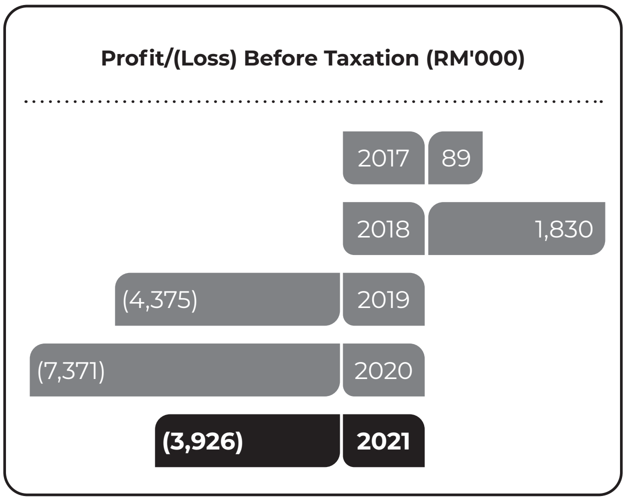
FINANCIAL HIGHLIGHTS

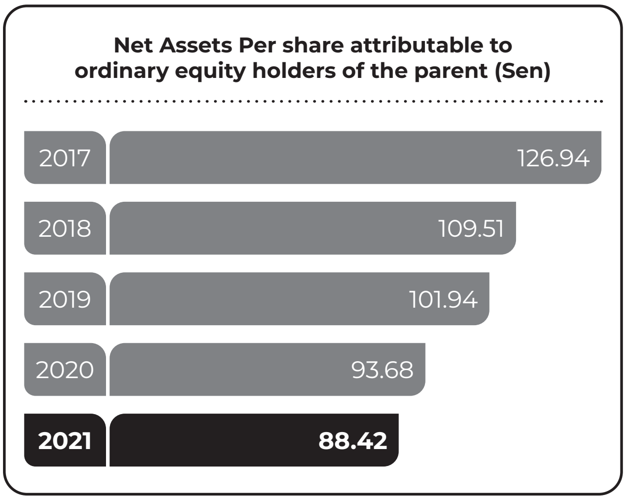
Five Years of Financial Highlights

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	87,870	93,845	95,825	95,564	79,664
Profit/(Loss) Before Taxation	89	1,830	(4,375)	(7,371)	(3,926)
Profit/(Loss) After Taxation	(321)	1,297	(4,819)	(7,847)	(4,720)
Profit/(loss) Attributable to Owners of the Company	(856)	846	(4,562)	(6,618)	(3,273)
Shareholders' Fund	66,327	88,064	81,988	75,341	71,110
Basic Earnings/(Loss) Per Share (Sen)	(1.64)	1.43	(5.67)	(8.27)	(4.09)
Net Assets Per share attributable to ordinary equity holders of the parent (Sen)	126.94	109.51	101.94	93.68	88.42









FINANCIAL STATEMENTS

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

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.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	**Company RM**
(Loss)/Profit for the financial year	(4,719,765)	1,042,057
Attributable to:		
Owners of the parent	(3,272,474)	1,042,057
Non-controlling interests	(1,447,291)	-
	(4,719,765)	1,042,057

Reserves and Provisions

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

Dividends

Since the end of the last financial year, the Company paid:

	RM
An interim single tier dividend of RM0.0117 per ordinary share in respect of financial year ended 31 March 2021 on 15 January 2021	936,624

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

Issue of Shares and Debentures

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

Treasury Shares

As at 31 March 2021, the Company held 373,000 treasury shares out of the total 80,426,301 issued ordinary shares. Further relevant details are disclosed in Note 20 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

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:

Dato' Lee Hean Guan	
Dato' Teoh Hai Hin	
Lee Hean Teik	
Jamailiah 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	
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)
Lee Kiang Hwa	(Appointed on 1.12.2020)
Wong Yen Fen	(Appointed on 1.1.2021)

* *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 1.4.2020	Acquired	Disposed	At 31.3.2021
Interest in the Company				
Direct interest				
Lee Chor Min	1,100,000	-	-	1,100,000
Lee Hean Huat	774,530	-	-	774,530
Haji Shamsul Ariffin B. Mohd Nor	35,000	-	-	35,000
Ng Shiek Nee	20,000	-	-	20,000
Mak Cheow Yeong	43,400	-	-	43,400
Interest in the Company				
Deemed interest				
Lee Hean Huat				
- Own *	9,363,094	-	-	9,363,094
- Others #	2,624,900	-	-	2,624,900
Interest in Subsidiary Companies				
(SH Haulage Sdn. Bhd.)				
Haji Shamsul Ariffin B. Mohd Nor	300,000	-	-	300,000

Note:

deemed interest by virtue of shares held by spouse/children.
* deemed interest by virtue of shares held by Hean Brothers Holdings Sdn. Bhd..

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 Notes 27, 29 and 36(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 has significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 36(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.

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 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

Other Statutory Information (Cont'd)

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

(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.

(d) In the opinion of the Directors:

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

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 40 to the financial statements.

Significant Events

The details of the significant events are disclosed in Note 41 to the financial statements.

Auditors

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

The details of auditors' remuneration are set out in Note 29 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 30 July 2021.

LEE CHOR MIN	LEE HEAN HUAT

PENANG

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 64 to 197 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 2021 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 30 July 2021.

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 64 to 197 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 30 July 2021)
) ________________________________

WONG YUEN WAH

Before me,
Haji Mohamed Yusoff Bin Mohd. Ibrahim
No. P.156
Commissioner for oaths
Lebuh Bishop
Pulau Pinang

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 2021 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 64 to 197.

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 2021, 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 Requirements

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 (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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 RM20,656,344. 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 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 disclosures made in accordance with MFRS 9 *Financial Instruments*.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the 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 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 has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

TIO SHIN YOUNG
Approved Number: 03355/02/2022 J
Chartered Accountant

PENANG
30 July 2021

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	8,531,318	9,636,938	-	-
Right-of-use assets	5	52,506,000	54,052,392	-	-
Investment properties	6	7,402,347	21,890,878	-	-
Goodwill on consolidation	7	704,273	704,273	-	-
Investments in subsidiary companies	8	-	-	35,964,387	36,454,367
Investments in associates	9	10,361,170	10,269,208	9,165,651	9,161,901
Other investments	10	494,885	81,200	-	-
Amount due from subsidiary companies	11	-	-	36,529,642	35,229,642
Trade receivables	12	728,129	846,618	-	-
		80,728,122	97,481,507	81,659,680	80,845,910
Current assets					
Inventories	13	841,052	740,733	-	-
Trade receivables	12	19,928,215	19,614,756	-	-
Other receivables	14	11,312,068	3,859,424	166,949	33,938
Contract assets	15	1,275,491	1,549,999	-	-
Amount due from subsidiary companies	11	-	-	7,403,823	7,708,465
Tax recoverable		523,202	278,266	-	-
Deposits, cash and bank balances	16	10,863,633	13,563,252	8,623	11,417
		44,743,661	39,606,430	7,579,395	7,753,820
Non-current assets classified as held for sale	17	14,419,190	-	-	-
		59,162,851	39,606,430	7,579,395	7,753,820
Total assets		139,890,973	137,087,937	89,239,075	88,599,730

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
EQUITY					
Share capital	18	81,109,469	81,109,469	81,109,469	81,109,469
(Accumulated losses)/					
Retained earnings	19	(9,627,665)	(5,396,567)	601,873	496,440
Treasury shares	20	(372,200)	(372,200)	(372,200)	(372,200)
Equity attributable to					
owners of the parent		71,109,604	75,340,702	81,339,142	81,233,709
Non-controlling interests		5,912,491	7,188,638	-	-
Total equity		77,022,095	82,529,340	81,339,142	81,233,709
LIABILITIES					
Non-current liabilities					
Loans and borrowings	21	18,773,905	21,158,363	1,159,173	1,851,470
Lease liabilities	22	2,261,304	3,935,470	-	-
Deferred tax liabilities	23	873,065	1,216,135	-	-
Trade payables	24	-	317,188	-	-
Other payables	25	141,780	134,337	-	-
		22,050,054	26,761,493	1,159,173	1,851,470
Current liabilities					
Loans and borrowings	21	11,859,929	10,409,120	4,750,770	4,243,607
Lease liabilities	22	4,332,433	5,145,276	-	-
Trade payables	24	11,630,852	8,138,081	-	-
Other payables	25	12,341,765	3,932,584	138,850	193,299
Amount due to					
subsidiary companies	11	-	-	1,816,486	1,002,764
Tax payables		653,845	172,043	34,654	74,881
		40,818,824	27,797,104	6,740,760	5,514,551
Total liabilities		62,868,878	54,558,597	7,899,933	7,366,021
Total equity and liabilities		139,890,973	137,087,937	89,239,075	88,599,730

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

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Revenue	26	79,664,180	95,563,779	1,200,000	2,400,000
Other operating income		1,732,884	1,730,031	907,028	852,470
Trading inventories sold		(3,707,412)	(9,024,691)	-	-
Staff costs	27	(18,714,808)	(24,315,308)	(91,000)	(87,000)
Depreciation		(7,981,983)	(9,002,061)	-	-
Net gains/(losses) on impairment of financial instruments		5,159	(2,702,781)	-	-
Other expenses		(53,637,550)	(57,164,094)	(451,648)	(2,196,170)
(Loss)/Profit from operations		(2,639,530)	(4,915,125)	1,564,380	969,300
Finance costs	28	(1,527,501)	(2,055,908)	(417,384)	(488,587)
Share of results of associates, net of tax		240,921	(399,948)	-	-
(Loss)/Profit before tax	29	(3,926,110)	(7,370,981)	1,146,996	480,713
Taxation	30	(793,655)	(475,711)	(104,939)	(210,017)
(Loss)/Profit for the financial year		(4,719,765)	(7,846,692)	1,042,057	270,696

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Other comprehensive loss for the financial year, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Net changes in fair value of equity investments designated at fair value through other comprehensive income		(22,000)	-	-	-
Total comprehensive (loss)/profit for the financial year		(4,741,765)	(7,846,692)	1,042,057	270,696
(Loss)/Profit for the financial year attributable to:					
Owners of the parent		(3,272,474)	(6,617,987)	1,042,057	270,696
Non-controlling interests		(1,447,291)	(1,228,705)	-	-
		(4,719,765)	(7,846,692)	1,042,057	270,696
Total comprehensive (loss)/profit for the the financial year attributable to:					
Owners of the parent		(3,294,474)	(6,617,987)	1,042,057	270,696
Non-controlling interests		(1,447,291)	(1,228,705)	-	-
		(4,741,765)	(7,846,692)	1,042,057	270,696

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Loss per share					
Basic loss per share (sen)	32	(4.09)	(8.27)		
Diluted loss per share (sen)	32	(4.09)	(8.27)		

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

		Attributable to owners of the parent						
		Non-distributable			Distributable			
Group	**Note**	**Share Capital RM**	**Treasury Shares RM**	**Fair Value Reserve RM**	**Accumulated Losses RM**	**Total RM**	**Non-Controlling Interests RM**	**Total Equity RM**
2021								
At 1 April 2020		81,109,469	(372,200)	-	(5,396,567)	75,340,702	7,188,638	82,529,340
Loss for the financial year		-	-	-	(3,272,474)	(3,272,474)	(1,447,291)	(4,719,765)
Other comprehensive loss for the financial year								
Net changes in fair value of equity instruments designed as FVOCI		-	-	(22,000)	-	(22,000)	-	(22,000)
Total comprehensive loss for the financial year		-	-	(22,000)	(3,272,474)	(3,294,474)	(1,447,291)	(4,741,765)
Transfer of loss on disposal of equity investment at FVOCI		-	-	22,000	(22,000)	-	-	-

		Attributable to owners of the parent						
		Non-distributable			Distributable			
Group	Note	Share Capital RM	Treasury Shares RM	Fair Value Reserve RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
2021 (Cont'd)								
Transactions with owners:								
Dividends to owners of the parent	33	-	-	-	(936,624)	(936,624)	-	(936,624)
Acquisition of a subsidiary company	8(b)	-	-	-	-	-	171,144	171,144
Total transactions with owners		-		-	(936,624)	(936,624)	171,144	(765,480)
At 31 March 2021		81,109,469	(372,200)	-	(9,627,665)	71,109,604	5,912,491	77,022,095

		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**
2020							
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		-	-	(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 expense 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

	Note	Non-Distributable		Distributable	
		Share Capital RM	**Treasury Shares RM**	**Retained Earnings RM**	**Total Equity RM**
Company					
2021					
At 1 April 2020		81,109,469	(372,200)	496,440	81,233,709
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,042,057	1,042,057
Transaction with owners:					
Dividends to owners of the parent	33	-	-	(936,624)	(936,624)
At 31 March 2021		81,109,469	(372,200)	601,873	81,339,142
2020					
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

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

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(3,926,110)	(7,370,981)	1,146,996	480,713
Adjustments for:					
Bad debts written off		7,632	2,887	-	-
Bargain purchase of a subsidiary company		(204,277)	-	-	-
Depreciation of:					
- property, plant and equipment		3,985,381	4,637,535	-	-
- right-of-use assets		3,927,261	4,293,111	-	-
- investment properties		69,341	71,415	-	-
Dividends income		-	-	(1,200,000)	(2,400,000)
Finance costs		1,513,648	2,043,015	417,384	488,587
Gain on disposal of:					
- property, plant and equipment		(540,263)	(350,003)	-	-
- right-of-use assets		(11,502)	-	-	-
- investment properties		-	(92,375)	-	-
- other investments		(7,300)	-	-	-
Gain on modification of lease terms		(1,051)	-	-	-
Impairment losses on:					
- investments in subsidiary companies		-	-	285,632	2,005,350
- property, plant and equipment		153,199	-	-	-
- trade receivables		77,401	3,031,651	-	-
Interest income		(249,166)	(390,315)	(907,028)	(852,470)
Loss/(Gain) on disposal of subsidiary companies		103,478	(102,834)	91,348	36,969
Property, plant and equipment written off		16,841	2,084	-	-
Reversal of impairment losses on trade receivables		(82,560)	(328,870)	-	-
Share of results of associates		(240,921)	399,948	-	-
Unrealised loss/(gain) on foreign exchange		202	(2,646)	-	-
Operating profit/(loss) before working capital changes		4,591,234	5,843,622	(165,668)	(240,851)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Operating profit/(loss) before working capital changes (Cont'd)		4,591,234	5,843,622	(165,668)	(240,851)
Changes in working capital:					
Inventories		(100,319)	(117,287)	-	-
Receivables		(6,859,644)	(155,301)	(133,011)	(16,383)
Contract assets		274,508	(1,549,999)	-	-
Payables		11,154,962	(691,243)	(54,449)	91,656
Cash generated from/(used in) operations		9,060,741	3,329,792	(353,128)	(165,578)
Tax paid		(1,029,747)	(963,786)	(145,166)	(155,057)
Tax refund		132,760	524,377	-	-
Net cash from/(used in) operating activities		8,163,754	2,890,383	(498,294)	(320,635)
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	4	(2,106,093)	(1,189,969)	-	-
- investment properties	6	-	(320,400)	-	-
- right-of-use assets	5(c)	(1,804,638)	(768,320)	-	-
- associates	9	(3,750)	(4,400,000)	(3,750)	-
- other investments	10	(540,985)	-	-	-
- subsidiary companies, net of cash	8	(187,455)	-	(397,000)	-
Interest received		249,166	390,315	907,028	852,470
Proceeds from disposal of:					
- subsidiary companies, net of cash	8	(115,597)	50,266	510,000	204,000
- shares to non-controlling interest	8	-	65,000	-	-
- property, plant and equipment		653,292	402,804	-	-
- right-of-use assets		91,000	-	-	-
- investment properties		-	500,000	-	-
- other investments		112,600	-	-	-
Repayments from/(Advances to) subsidiary companies		-	-	204,642	(42,865)
Subscription of additional shares by non-controlling interest	8	-	612,500	-	-
Net cash (used in)/from investing activities		(3,652,460)	(4,657,804)	1,220,920	1,013,605

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Cash flows from financing activities					
Advances from subsidiary companies	31	-	-	813,722	932,160
Dividends paid	31	(936,624)	-	(936,624)	-
Net changes on bankers' acceptance	31	330,106	(156,000)	-	-
Interest paid		(1,513,648)	(2,043,015)	(417,384)	(488,587)
Net changes on revolving credits	31	(1,059)	172,899	-	-
Payment of lease liabilities	31	(3,826,992)	(2,858,106)	-	-
Drawndown of term loans	31	-	18,320,400	-	-
Repayment of term loans	31	(1,465,322)	(12,840,948)	(514,718)	(747,936)
Net cash (used in)/from financing activities		(7,413,539)	595,230	(1,055,004)	(304,363)
Net (decrease)/increase in cash and cash equivalents		(2,902,245)	(1,172,191)	(332,378)	388,607
Cash and cash equivalents at the beginning 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		6,254,202	9,156,447	(3,764,328)	(3,431,950)
Cash and cash equivalents at end of the financial year comprise:					
Cash and bank balances	16	5,455,180	7,330,398	8,623	11,417
Fixed deposits placed with licensed banks	16	723,860	711,826	-	-
Short-term fund deposits	16	4,684,593	5,521,028	-	-
Bank overdrafts	21	(4,609,431)	(4,406,805)	(3,772,951)	(3,443,367)
		6,254,202	9,156,447	(3,764,328)	(3,431,950)

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

1. Corporate Information

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

The registered office of the Company is located at 170-09-01, Livingston Tower, Jalan Argyll, George Town, 10050 Penang.

The principal place of business of the Company is at 18, Jalan Limbungan, Off Jalan Chain Ferry, 12100 Butterworth, Penang. With effect from 26 April 2021, the Company's principal place of business has been relocated to No. 1062, Mukim 6, Jalan Perusahaan, Kawasan Perusahaan Perai, 13600 Perai, 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 ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

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

Adoption of new and amended standards

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

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021
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
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further noticed

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 intend to adopt the above amendments to MFRSs when they become effective.

The initial application of the above-mentioned amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and 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 judgments, estimates and assumptions

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

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:

<u>Classification between investment properties and property, plant and equipment</u>

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)

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: (Cont'd)

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 and termination options - 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, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or to terminate.

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)

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: (Cont'd)

Determining the lease term of contracts with renewal and termination options - 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. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

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/depreciation of property, plant and equipment, investment property and right-of-use ("ROU") asset

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties.

The carrying amounts at the reporting date for property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 6 respectively.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

<u>Impairment of property, plant and equipment</u>

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 4 to the financial statements.

<u>Impairment of goodwill on consolidation</u>

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.

<u>Impairment of investment in subsidiary companies</u>

The Company reviews its investment 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 investment in subsidiary companies is disclosed in Note 8.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

Impairment of investment in associates

The Group and the Company review its investment in associates 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. The Group and the Company evaluate the recoverable amounts based on market performance, economic and political situation of the country in which the associates operate.

The carrying amount at the reporting date for investment in associates is disclosed in Note 9.

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 differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 23.

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 13.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

<u>Determination of transaction prices</u>

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment 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 are based on invoiced values or retail price. Discounts are not considered as they are not only given in rare circumstances.

<u>Revenue from construction contracts</u>

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 constructions 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 15.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group review the recoverability of its trade receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The 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 amount at the reporting date for trade receivables is disclosed in Note 12.

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 and is required to make certain entity-specific estimates.

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 38(d) 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 fata 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.

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

Income taxes

Judgment 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 2021, the Group has tax recoverable and tax payable of RM523,202 and RM653,845 (2020: RM278,266 and RM172,043) and the Company has tax payable of RM34,654 (2020: RM74,881) respectively.

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 35.

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 amount of acquiree's identifiable net assets.

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

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

If the initial accounting for a business combination is incomplete by the end 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.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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 instrument 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 remeasured, 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) to the financial statements on impairment of non-financial assets.

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

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

(iii) Disposal of subsidiary companies

If the Group 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.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

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

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

(b) Investments in associates

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

On acquisition of an investment 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 equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment 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.

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates (Cont'd)

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control 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) to the financial statements on impairment of non-financial assets.

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation and balances

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

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

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

(d) Property, Plant and Equipment

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

(i) Recognition and measurement

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

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under capital work-in-progress are not depreciated until the assets are ready for its intended use.

3. Significant Accounting Policies (Cont'd)

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

(iii) Depreciation (Cont'd)

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

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 financial period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) Leases

As lessee

The Group recognises 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 is in accordance with Note 3(n) 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 borrowing related to ROU assets under installation until the ROU assets are ready for their intended use.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee (Cont'd)

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.

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 is 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 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 that are considered to be low value.

3. Significant Accounting Policies (Cont'd)

(e) Leases (Cont'd)

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 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 apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

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

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of MFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

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.

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) 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.

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 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.

(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 (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Fair value through other comprehensive income

<u>Debt instruments</u>

A debt security is measured at FVOCI 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.

3. Significant Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

(b) 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 OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI 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 FVOCI, 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 FVOCI 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 FVOCI, are subject to impairment.

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

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

3. Significant Accounting Policies (Cont'd)

(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 instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

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) Offsetting of financial instruments

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

(j) Inventories

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

Cost of inventories 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.

3. Significant Accounting Policies (Cont'd)

(k) 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 on 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 exceed costs incurred plus recognised profits (less recognised losses).

(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.

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and contract 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 period at the same time.

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the 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.

3. Significant Accounting Policies (Cont'd)

(n) Impairment of assets (Cont'd)

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

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 unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(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").

For trade receivables, the Group apply a simplified approach in calculating ECLs. Therefore, the Group do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has 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.

3. Significant Accounting Policies (Cont'd)

(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 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.

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

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

3. Significant Accounting Policies (Cont'd)

(p) Provisions (Cont'd)

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

(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 and the Company. 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 and the Company have no further payment obligations.

(r) Revenue recognition

(i) Revenue from contracts with customers

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

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:

(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.

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 has 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 contact 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.

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 provides warranties for general repairs of defects existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 *Provision, contingent Liabilities and Contingent Assets*, please refer to accounting policy on warranty provisions in Note 3(p) to the financial statements.

(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 and the Company's right to receive payment is established.

(iv) Interest income

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

(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.

3. Significant Accounting Policies (Cont'd)

(s) Borrowing costs (Cont'd)

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

(t) Income taxes

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

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

3. Significant Accounting Policies (Cont'd)

(u) Segments reporting

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

(v) Contingencies

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

(w) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment properties are not depreciated once classified as held for sale.

4. Property, Plant and Equipment

Group	Freehold land RM	Freehold 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
2021								
Cost								
At 1 April 2020	1,160,542	729,987	65,678,910	4,021,083	2,905,514	505,687	178,771	75,180,494
Additions	-	-	776,249	-	70,597	10,000	1,249,247	2,106,093
Acquisitions through business combination (Note 8)	-	-	677,510	-	13,160	-	53,000	743,670
Disposals	-	-	(2,187,322)	(149,568)	(14,680)	-	-	(2,351,570)
Written off	-	-	-	-	(53,091)	-	-	(53,091)
Transfer from right-of-use assets	-	-	812,884	744,836	-	-	-	1,557,720
Disposal of a subsidiary company (Note 8)	-	-	(397,000)	-	(13,160)	-	-	(410,160)
At 31 March 2021	1,160,542	729,987	65,361,231	4,616,351	2,908,340	515,687	1,481,018	76,773,156

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

Group	Freehold land RM	Freehold 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
2021								
Accumulated depreciation and impairment losses								
At 1 April 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
Charge for the financial year	-	8,102	3,488,678	113,114	309,576	65,911	-	3,985,381
Acquisitions through business combination (Note 8)	-	-	61,453	-	7,031	-	-	68,484
Impairment losses for the financial year	-	-	-	153,199	-	-	-	153,199
Disposals	-	-	(2,102,321)	(126,726)	(9,494)	-	-	(2,238,541)
Written off	-	-	-	-	(36,250)	-	-	(36,250)
Transfer from right-of-use assets	-	-	470,203	319,183	-	-	-	789,386
Disposal of a subsidiary company (Note 8)	-	-	(18,905)	-	(4,472)	-	-	(23,377)
At 31 March 2021								
Accumulated depreciation	-	577,500	60,073,048	4,326,654	2,600,166	442,429	-	68,019,797
Accumulated impairment losses	-	-	68,842	153,199	-	-	-	222,041
	-	577,500	60,141,890	4,479,853	2,600,166	442,429	-	68,241,838
Carrying amount								
At 31 March 2021	1,160,542	152,487	5,219,341	136,498	308,174	73,258	1,481,018	8,531,318

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

Group 2020	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
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 a subsidiary company (Note 8)	-	-	-	-	(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)

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										
Accumulated 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)

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										
Accumulated 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 a subsidiary company (Note 8)	-	-	-	-	(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

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
2021											
Cost											
At 1 April 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
Additions	-	-	1,519,210	-	-	237,670	-	-	58,511	1,583,448	3,398,839
Acquisitions through business combination (Note 8)	-	-	2,462,225	-	-	-	-	-	148,894	-	2,611,119
Disposals	-	-	(119,247)	-	-	-	-	-	-	-	(119,247)
Modification of lease terms	-	-	-	-	-	(84,194)	-	-	(144,811)	-	(229,005)
Transfer to property, plant and equipment	-	-	(812,884)	(744,836)	-	-	-	-	-	-	(1,557,720)
Disposal of a subsidiary company (Note 8)	-	-	(2,462,225)	-	-	-	-	-	(102,571)	-	(2,564,796)
At 31 March 2021	23,110,213	19,828,823	17,558,523	513,100	262,301	351,559	58,626	37,595	375,014	2,903,433	64,999,187

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

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
2021											
Accumulated depreciation											
At 1 April 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
Charge for the financial year	498,772	572,974	2,299,227	206,514	87,434	100,145	22,694	12,530	126,971	-	3,927,261
Acquisitions through business combination (Note 8)	-	-	914,630	-	-	-	-	-	19,301	-	933,931
Disposals	-	-	(39,749)	-	-	-	-	-	-	-	(39,749)
Modification of lease terms	-	-	-	-	-	(57,837)	-	-	(140,215)	-	(198,052)
Transfer to property, plant and equipment	-	-	(470,203)	(319,183)	-	-	-	-	-	-	(789,386)
Reclassification	-	-	(39,316)	-	-	-	-	-	39,316	-	-
Disposal of a subsidiary company (Note 8)	-	-	(694,289)	-	-	-	-	-	(54,134)	-	(748,423)
At 31 March 2021	2,511,311	2,887,642	6,249,361	253,378	190,790	147,749	58,626	36,550	157,780	-	12,493,187
Carrying amount											
At 31 March 2021	20,598,902	16,941,181	11,309,162	259,722	71,511	203,810	-	1,045	217,234	2,903,433	52,506,000

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

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
Transfer from property, plant and equipment	-	-	2,397,490	-	-	-	-	-	-	274,380	2,671,870
Transfer to property, plant and equipment	-	-	(932,555)	-	-	-	-	-	-	-	(932,555)
Reclassification	-	-	316,380	-	-	-	-	-	-	(316,380)	-
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)

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											
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

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

(a) Assets pledge as securities to financial institutions

The carrying amount of right-of-use assets of the Group pledged as securities for loans and borrowings as disclosed in Note 21 to the financial statements are as follows:

	Group	
	2021 RM	2020 RM
Leasehold lands	14,949,982	15,369,934
Leasehold buildings	14,415,459	14,879,227
	29,365,441	30,249,161

(b) Assets acquired under lease arrangement

As at 31 March 2021, the carrying amount of leased motor vehicles and mobile cranes of the Group was RM10,509,107 (2020: RM12,218,989).

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 right-of-use assets of the Group under lease financing and cash payments are as follows:

	Group	
	2021 RM	2020 RM
Aggregate costs	3,398,839	3,288,704
Less: Lease financing	(1,594,201)	(2,520,384)
Cash payments	1,804,638	768,320

(d) Leasehold lands and buildings

The remaining period of the lease term of leasehold lands and leasehold buildings are ranges from 31 to 52 years (2020: 32 to 53 years).

6. Investment Properties

	Group 2021 RM	Group 2020 RM
Cost		
At 1 April	22,518,910	22,698,510
Additions	-	320,400
Disposals	-	(500,000)
Transfer to held for sale (Note 17)	(14,702,523)	-
At 31 March	7,816,387	22,518,910
Accumulated depreciation		
At 1 April	628,032	648,992
Charge for the financial year	69,341	71,415
Disposals	-	(92,375)
Transfer to held for sale (Note 17)	(283,333)	-
At 31 March	414,040	628,032
Carrying amount		
At 31 March	7,402,347	21,890,878
Included in the above are:		
At cost		
Freehold lands	6,172,170	18,874,693
Freehold buildings	1,032,357	3,032,357
Commercial properties	611,860	611,860
	7,816,387	22,518,910
Fair value of investment properties	11,334,475	81,078,000

(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 lease contains a cancellable period of 1 year. No contingent rents are charged.

(b) Fair value basis of investment properties

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

6. Investment Properties (Cont'd)

(b) Fair value basis of investment properties (Cont'd)

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 (RM40 - RM688)	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	
	2021	**2020**
	RM	**RM**
Rental income	237,000	227,300
Direct operating expenses:		
- income generating investment properties	(112,648)	(317,683)
- non-income generating investment properties	(3,150)	(1,598)

(d) Highest and best use

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

(e) Investment properties pledged as securities to licensed banks

Investment properties of the Group amounting to RM711,163 (2020: RM15,174,941) have been pledged to secure banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

7. Goodwill on Consolidation

	Group	
	2021	**2020**
	RM	**RM**
Cost		
At 1 April	4,635,428	4,869,202
Less: Disposal of a subsidiary company	-	(233,774)
At 31 March	4,635,428	4,635,428
Accumulated impairment losses		
At 1 April	3,931,155	4,164,929
Less: Disposal of a subsidiary company	-	(233,774)
At 31 March	3,931,155	3,931,155
Carrying amount		
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:

	2021	**2020**
	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.

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 8%.

(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, the 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	
	2021	**2020**
	RM	**RM**
In Malaysia		
At cost		
Unquoted shares	46,137,649	46,341,997
Less: Accumulated impairment losses	(10,173,262)	(9,887,630)
	35,964,387	36,454,367

8. Investments in Subsidiary Companies (Cont'd)

Movements in the accumulated impairment losses are as follows:

	Company	
	2021	2020
	RM	RM
At 1 April	9,887,630	7,882,280
Impairment losses recogised	285,632	2,005,350
At 31 March	10,173,262	9,887,630

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2021	2020	Principal activities
See Hup Transport (K.L.) Sdn. Bhd.	Malaysia	100	100	Transportation services
Jentanian Transport And Forwarding Sdn. Bhd. ("JTFSB")	Malaysia	88.7	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 mechandise
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

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 (%) 2021	2020	Principal activities
Limsa Ekuiti Sdn. Bhd.	Malaysia	100	100	Investment holding
See Hup Pioneer Logistics Sdn. Bhd. ("SHPL")	Malaysia	56.5	56.5	Provision of warehousing and forwarding services and investment holding
SH Logistics (M) Sdn. Bhd. ("SHL")	Malaysia	50.1	50.1	Transportation services
SH Global Freight Sdn. Bhd. ("SHGF")	Malaysia	83	83	Forwarding/transport services provider
Bentara Dermaga Sdn. Bhd. ("BDSB")	Malaysia	80.3	80.3	Provision of bulk cargo handling services and hiring of plant/machinery
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

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 (%) 2021	2020	Principal activities
Held through Limsa Ekuiti Sdn. Bhd.				
SH Worldwide Logistics Sdn. Bhd. ("SHWL")	Malaysia	89.6	89.6	Air freight forwarder and transport services provider
SH Supply Chain Sdn. Bhd. ("SHSC")	Malaysia	79.8	79.8	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	
	2021	2020	2021	2020	2021	2020
	%	%	RM	RM	RM	RM
JTFSB #	11.3%	-	160,041	-	160,041	-
SHPL	43.5%	43.5%	(37,373)	(348,203)	631,199	668,572
SHL	49.9%	49.9%	(65,495)	(71,036)	1,547,778	1,613,273
SHGF	17.0%	17.0%	140,310	108,271	803,234	662,924
BDSB	19.7%	19.7%	(6,391)	*	(11,925)	*
AGSB	30.0%	30.0%	(354,773)	73,991	(2,584,724)	(2,229,951)
SHH	60.4%	60.4%	53,546	*	(27,579)	*
SHWL	10.4%	10.4%	64,260	33,595	184,395	120,135
SHSC	20.2%	20.2%	20,014	*	128,688	*
HCF	49.0%	49.0%	(264,843)	(392,790)	5,926,615	6,191,458
SHMB	49.0%	49.0%	(985,464)	*	(845,231)	*
Individually immaterial subsidiaries with non-controlling interests					-	162,227
Total non-controlling interests					5,912,491	7,188,638

* Immaterial subsidiaries with non-controlling interests
# Disposed on 28 July 2020 and re-acquired on 8 March 2021

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

	JTFSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
2021						
Non-current assets	2,684,185	6,606,520	2,106,904	1,366,159	1,081	2,006,425
Current assets	1,828,902	3,293,786	2,170,845	5,739,721	11,502	3,065,632
Non-current liabilities	(894,085)	(2,537,527)	(77,125)	(29,144)	-	(8,372,038)
Current liabilities	(2,202,718)	(5,911,747)	(1,098,825)	(2,351,832)	(73,182)	(5,315,696)
Net assets/(liabilities)	1,416,284	1,451,032	3,101,799	4,724,904	(60,599)	(8,615,677)

	SHH RM	SHWL RM	SHSC RM	HCF RM	SHMB RM
2021					
Non-current assets	1,929,164	225,713	387,594	26,328,554	1,252,353
Current assets	2,436,863	5,773,496	1,956,503	4,801,946	2,562,990
Non-current liabilities	(1,269,512)	(380,078)	(222,422)	(17,196,347)	(2,878,247)
Current liabilities	(2,638,415)	(3,849,605)	(1,485,361)	(1,839,035)	(2,662,057)
Net assets/(liabilities)	458,100	1,769,526	636,314	12,095,118	(1,724,961)

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)

	SHPL RM	SHL RM	SHGF RM	AGSB RM	SHWL RM	HCF RM
2020						
Non-current assets	8,071,718	2,384,747	963,065	3,045,141	276,538	25,498,729
Current assets	2,706,530	1,914,443	4,628,980	4,809,673	3,870,527	5,387,103
Non-current liabilities	(4,097,683)	(30,511)	(62,706)	(8,375,724)	(608,673)	(18,000,000)
Current liabilities	(5,143,619)	(1,035,625)	(1,629,789)	(6,912,262)	(2,385,594)	(250,219)
Net assets/(liabilities)	1,536,946	3,233,054	3,899,550	(7,433,172)	1,152,798	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)

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

	JTFSB	**SHPL**	**SHL**	**SHGF**	**BDSB**	**AGSB**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
2021						
Revenue	1,944,293	12,278,303	3,864,603	15,184,600	(33)	5,368,990
Profit/(Loss) for the financial year	(10,777)	(85,914)	(131,255)	825,354	(32,479)	(1,182,506)
Total comprehensive income/(loss)	(10,777)	(85,914)	(131,255)	825,354	(32,479)	(1,182,506)

	SHH	**SHWL**	**SHSC**	**HCF**	**SHMB**
	RM	**RM**	**RM**	**RM**	**RM**
2021					
Revenue	6,385,325	18,271,759	2,651,714	1,134,000	3,299,398
Profit/(Loss) for the financial year	88,579	616,728	98,959	(540,495)	(2,011,150)
Total comprehensive income/(loss)	88,579	616,728	98,959	(540,495)	(2,011,150)

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)

	SHPL RM	SHL RM	SHGF RM	AGSB RM	SHWL RM	HCF RM
2020						
Revenue	11,095,221	4,363,768	13,192,036	11,797,784	12,837,315	1,077,300
Profit/(Loss) for the financial year	(800,467)	(142,359)	636,886	246,635	434,994	(801,612)
Total comprehensive income/(loss)	(800,467)	(142,359)	636,886	246,635	434,994	(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)

(iii) Summarised statements of cash flows

	JTFSB RM	SHPL RM	SHL RM	SHGF RM	BDSB RM	AGSB RM
2021						
Net cash from operating activities	1,556,870	2,105,296	4,814	485,404	7,409	1,259,348
Net cash from/(used in) investing activities	(644,678)	(2,818)	13,165	(454,941)	2,750	(158,825)
Net cash used in financing activities	(705,564)	(1,751,247)	(29,128)	(35,953)	(6,876)	(1,280,401)
Net increase/(decrease) in cash and cash equivalents	206,628	351,231	(11,149)	(5,490)	3,283	(179,878)

	SHH RM	SHWL RM	SHSC RM	HCF RM	SHMB RM
2021					
Net cash from operating activities	1,386,169	714,884	341,931	1,198,685	23,497
Net cash from/(used in) investing activities	167,805	36,452	-	(1,457,789)	(288,700)
Net cash used in financing activities	(1,236,320)	(348,735)	(453,457)	(1,131,826)	(987,185)
Net increase/(decrease) in cash and cash equivalents	317,654	402,601	(111,526)	(1,390,930)	(1,252,388)

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)

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

	HCF RM
2020	
Net cash used in operating activities	(289,927)
Net cash used in investing activities	(614,271)
Net cash from financing activities	5,062,131
Net increase in cash and cash equivalents	4,157,933

8. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies

During the financial year

On 8 March 2021, the Company had acquired 397,000 ordinary shares in Jentanian Transport And Forwarding Sdn. Bhd. ("JTFSB"), representing 39.7% of total issued share capital for a total cash consideration of RM397,000. The Company's investment in JTFSB was increased from 49% to 88.7% and ceased to be an associate company of the Company and effectively became a subsidiary company.

Fair value of identifiable assets acquired and liabilities assumed

	2021 **RM**
Property, plant and equipment	675,186
Right-of-use assets relating to third parties	1,677,188
Right-of-use assets relating to related companies	384,163
Trade and other receivables	1,844,474
Tax recoverable	70,815
Cash and bank balances	209,545
Trade and other payables	(1,468,393)
Lease liabilities relating to third parties	(1,484,264)
Lease liabilities relating to related companies	(394,165)
Total identifiable assets and liabilities	1,514,549

Net cash outflows arising from acquisition of subsidiary companies

	2021 **RM**
Purchase consideration settled in cash	397,000
Cash and cash equivalents acquired	(209,545)
	187,455

Bargain purchase

	2021 **RM**
Fair value of previously held interest	742,128
Fair value of consideration transferred	397,000
Non-controlling interest, based on their propotionate interest in the recognised amounts of the assets and liabilities of the acquiree	171,144
Fair value of identifiable assets acquired and liabilities assumed	(1,514,549)
	(204,277)

8. Investments in Subsidiary Companies (Cont'd)

(c) Additional investments in subsidiary companies

<u>In the previous financial year</u>

On 28 May 2019, SH Moment Builder Sdn. Bhd. ("SHMB"), 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, SHMB, 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%.

(d) Disposal of subsidiary companies

<u>During the financial year</u>

On 28 July 2020, See Hup Consolidated Berhad disposed of its 51% equity interest in Jentanian Transport And Forwarding Sdn. Bhd. ("JTFSB") for a cash consideration of RM510,000, which had resulted a loss of RM103,478. Upon completion of the disposal, JTFSB 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 JTFSB on the financial position of the Group as at the date of disposal was as follows:

	2021 **RM**
Property, plant and equipment	386,783
Right-of-use assets relating to third parties	1,816,373
Right-of-use assets relating to related companies	499,124
Trade and other receivables	1,051,729
Tax recoverable	19,421
Cash and bank balances	625,597
Trade and other payables	(982,621)
Lease liabilities relating to third parties	(1,706,478)
Lease liabilities relating to related companies	(507,030)
Total net assets disposed	1,202,898
Proceeds from disposal	(510,000)
Fair value of remaining stake	(589,420)
Loss on disposal	103,478

8. Investments in Subsidiary Companies (Cont'd)

(d) Disposal of subsidiary companies (Cont'd)

During the financial year (Cont'd)

The effect of the disposal of JTFSB on the financial position of the Group as at the date of disposal was as follows: (Cont'd)

	2021 RM
Proceeds from disposal	510,000
Less: Cash and bank balances disposed	(625,597)
Net cash outflows from disposal	(115,597)

In the previous financial year

On 29 January 2020, See Hup Consolidated Berhad disposed of its 34% equity interest in Mazs Marketing Sdn. Bhd. ("MMSB"). 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 interest	(68,912)
Total net assets disposed	228,687
Proceeds from disposal	(204,000)
Fair value of remaining 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

8. Investments in Subsidiary Companies (Cont'd)

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

In the previous financial year

(i) 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.

(ii) 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.

(f) Impairment losses for investments in subsidiary companies

During the financial year

(i) SH In Express (M) Sdn. Bhd.

During the financial year, SH In Express (M) Sdn. Bhd., the 100% owned subsidiary company in the transportation and logistics services segment was facing the recoverable amount lower than the carrying amount.

The recoverable amount of the Company's investment in SH In Express (M) Sdn. Bhd. estimated based on value-in-use method was RM313,013. Therefore, an impairment loss amounting to RM252,900 was recognised during the financial year. As a result, the Company's investment in SH In Express (M) Sdn. Bhd. are amounted of RM313,013 as at 31 March 2021.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

8. Investments in Subsidiary Companies (Cont'd)

(f) Impairment losses for investments in subsidiary companies (Cont'd)

<u>During the financial year</u> (Cont'd)

(ii) <u>See Heng Company Sdn. Bhd.</u>

During the financial year, See Heng Company Sdn. Bhd., the 100% owned subsidiary company in the trading segment was facing the recoverable amount lower than the carrying amount.

The recoverable amount of the Company's investment in See Heng Company Sdn. Bhd. estimated based on value-in-use method was RM Nil. Therefore, an impairment loss amounting to RM27,531 was recognised during the financial year. As a result, the Company's investment in See Heng Company Sdn. Bhd. are fully impaired as at 31 March 2021.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

(iii) <u>Agriplex (M) Sdn. Bhd.</u>

During the financial year, Agriplex (M) Sdn. Bhd., the 70% owned subsidiary company in the transportation and logistics services segment was facing the recoverable amount lower than the carrying amount.

The recoverable amount of the Company's investment in Agriplex (M) Sdn. Bhd. estimated based on value-in-use method was RM Nil. Therefore, an impairment loss amounting to RM5,201 was recognised during the financial year. As a result, the Company's investment in Agriplex (M) Sdn. Bhd. are fully impaired as at 31 March 2021.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

<u>In the previous financial year</u>

(i) <u>Bentara Dermaga Sdn. Bhd.</u>

In the previous financial year, Bentera Dermaga Sdn. Bhd., the 80.3% owned subsidiary company in the transportation and logistics services segment was facing the recoverable amount lower than the carrying amount.

The recoverable amount of the Company's investment in Bentera Dermaga Sdn. Bhd. estimated based on value-in-use method was RM Nil. Therefore, an impairment loss amounting to RM2,005,350 was recognised during the financial year. As a result, the Company's investment in Bentera Dermaga Sdn. Bhd. are fully impaired as at 31 March 2020.

The impairment loss was recognised in other expenses in the statements of profit or loss and other comprehensive income.

8. Investments in Subsidiary Companies (Cont'd)

(g) 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	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
At cost				
Unquoted shares in Malaysia	9,832,054	9,828,304	9,232,054	9,228,304
Unquoted shares outside Malaysia	1,075,866	1,075,866	-	-
	10,907,920	10,904,170	9,232,054	9,228,304
Share of post-acquisition reserves	(480,347)	(568,559)	-	-
	10,427,573	10,335,611	9,232,054	9,228,304
Less: Accumulated impairment losses	(66,403)	(66,403)	(66,403)	(66,403)
Balance at the end of financial year	10,361,170	10,269,208	9,165,651	9,161,901

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
At 1 April/31 March	(66,403)	(66,403)	(66,403)	(66,403)

9. Investments in Associates (Cont'd)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2021	2020	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	47.7	47.6	Property development and investment holding
Kim Ma Supertiles Sdn. Bhd. ("KMS") @ ^	Malaysia	7.7	7.7	Investment holding
Mazs Marketing (M) Sdn. Bhd. ("MMSB") @	Malaysia	42.8	42.8	Bonded truck services and bonded warehousing
Maruzen SH Logistics Sdn. Bhd. ("MSHL") ** ^	Malaysia	35.2	35.2	Forwarding/transport services provider

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 (%) 2021	2020	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	3.98	Forwarding/transport services provider
Held through Kimsar Sdn. Bhd.				
Iping United Development Sdn. Bhd. ("IPING") @ ^	Malaysia	47.7	47.6	Investment holding
Northen Malaya Reality Sdn. Bhd. ("NMR") @ ^	Malaysia	47.7	47.6	Investment holding
Held through IPING				
Kim Ma Supertiles Sdn. Bhd. ("KMS") @ ^	Malaysia	19.8	19.7	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 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
2021									
Current assets	1,744,828	820,929	4,236,251	547,574	12,236,587	489,344	434,754	1,151,072	21,661,339
Non-current assets	703,091	154,480	164,316	-	4,018,591	6,336,719	2,516,216	314,780	14,208,193
Current liabilities	(3,286,877)	(343,372)	(2,582,894)	(110,307)	(3,997,726)	(191,536)	(410,612)	(1,001,545)	(11,924,869)
Non-current liabilities	-	(500)	-	-	-	-	-	(128,750)	(129,250)
Net assets/(liabilities)	(838,958)	631,537	1,817,673	437,267	12,257,452	6,634,527	2,540,358	335,557	23,815,413
Interests in associates	22.8%	49%	49%	50%	39.2%	47.7%	27.5%	42.8%	
Group's share of net assets/(liabilities)	(191,245)	309,453	890,660	218,634	4,802,960	3,165,333	697,836	143,618	10,037,249
Reserves	465,586	-	-	-	14,439	-	136,053	-	616,078
Goodwill/ (negative goodwill)	319,007	(6,354)	(20,755)	11,662	-	(595,717)	-	-	(292,157)
Carrying amount of Group's interests in associates	593,348	303,099	869,905	230,296	4,817,399	2,569,616	833,889	143,618	10,361,170

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 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	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-current 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 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
2021									
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	(91,023)	(79,084)	(821)	26,162	424,247	(126,729)	29,719	88,247	270,718
Included in the total comprehensive income:									
Revenue	5,163,663	809,193	7,446,496	-	3,042,590	-	60,000	3,077,673	19,599,615

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 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 (Cont'd)

	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, representing 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

9. Investments in Associates (Cont'd)

(c) Acquisition of associates

During the financial year

(i) On 28 July 2020, the Company's equity holding in Jentanian Transport And Forwarding Sdn. Bhd. ("JTFSB") reduced from 100% to 49%, as a result JTFSB 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).

(ii) On 8 October 2020, the Company acquired 2,500 ordinary shares at RM1.50 per shares in Kimsar Sdn. Bhd. for a cash consideration of RM3,750, increase its equity interest from 47.64% to 47.71%.

In previous financial year

(i) On 26 June 2019, Maruzen SH Logistics Sdn. Bhd. ("MSHL"), 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 35.2%.

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, the Group effective equity interest in MSHL became 39.18%.

(ii) On 29 January 2020, the Company's equity holding in Mazs Marketing Sdn. Bhd ("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).

(d) Disposal of associates

During the financial year

On 8 March 2021, the Company's equity holding in Jentanian Transport And Forwarding Sdn. Bhd. ("JTFSB") increased from 49% to 88.7%, as a result JTFSB ceased to be an associate company of the Company and effectively became a subsidiary company. The details of partial disposal of subsidiary company is disclosed in Note 8(b).

10. Other Investments

	Unquoted Shares in Malaysia RM	Quoted Shares in Malaysia RM	Total RM
Group			
2021			
Non-current			
Financial assets measured at fair value through other comprehensive income			
At 1 April	81,200	-	81,200
Disposals	(28,000)	-	(28,000)
At 31 March	53,200	-	53,200
Financial assets measured at fair value through profit or loss			
At 1 April	-	-	-
Additions	-	540,985	540,985
Disposals	-	(99,300)	(99,300)
At 31 March	-	441,685	441,685
	53,200	441,685	494,885
2020			
Non-current			
Financial assets measured at fair value through other comprehensive income			
At 1 April/31 March	81,200	-	81,200

11. Amount Due from/(to) Subsidiary Companies

	Company	
	2021	2020
	RM	RM
Amount due from subsidiary companies		
Non-current		
Non-trade related		
Interest bearing	35,423,770	34,985,770
Non-interest bearing	1,105,872	243,872
	36,529,642	35,229,642
Current		
Trade related		
Non-interest bearing	1,200,000	2,400,000
Non-trade related		
Non-interest bearing	6,203,823	5,308,465
	7,403,823	7,708,465
	43,933,465	42,938,107
Amount due to subsidiary companies		
Current		
Non-trade related		
Interest bearing	(1,800,000)	(1,002,732)
Non-interest bearing	(16,486)	(32)
	(1,816,486)	(1,002,764)

Amount due from/(to) subsidiary companies with interest bearing are unsecured, bear interest ranged from 2.5% to 5% (2020: 2.5% to 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 dividends receivable amounted to RM1,200,000 (2020: RM2,400,000).

12. Trade Receivables

	Group 2021 RM	Group 2020 RM
Non-current		
Amount due from associates	728,129	846,618
Current		
Trade receivables	19,698,696	19,450,120
Amount due from associates	2,001,265	1,936,493
Amount due from a shareholder of a subsidiary company	67,456	27,248
Companies in which certain Directors have substantial financial interests	2,965,604	3,015,604
	24,733,021	24,429,465
Less: Accumulated impairment losses	(4,804,806)	(4,814,709)
	19,928,215	19,614,756
Total trade receivables	20,656,344	20,461,374

Trade receivables are non-interest bearing and are generally on 7 to 120 days (2020: 14 to 120 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from associates, a 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 RM728,129 (2020: RM846,618) which bear interest at 2% (2020: 2%) per annum and repayable on demand.

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

	Group 2021 RM	Group 2020 RM
At 1 April	4,814,709	2,177,828
Disposal of a subsidiary company	-	(59,920)
Impairment losses recognised	77,401	3,031,651
Amount written off	(4,744)	(5,980)
Impairment losses reversed	(82,560)	(328,870)
At 31 March	4,804,806	4,814,709

12. Trade Receivables (Cont'd)

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

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

Group	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Neither past due nor impaired	10,937,493	(19,557)	10,917,936
Past due but not impaired:			
Less than 30 days	5,436,913	(14,087)	5,422,826
31 to 60 days	2,325,504	(14,486)	2,311,018
61 to 90 days	605,494	(7,377)	598,117
More than 90 days	1,504,472	(98,025)	1,406,447
	9,872,383	(133,975)	9,738,408
	20,809,876	(153,532)	20,656,344
Individual impaired	4,651,274	(4,651,274)	-
	25,461,150	(4,804,806)	20,656,344
2020			
Neither past due nor impaired	10,167,033	(4,832)	10,162,201
Past due but not impaired:			
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
	10,319,378	(20,205)	10,299,173
	20,486,411	(25,037)	20,461,374
Individual impaired	4,789,672	(4,789,672)	-
	25,276,083	(4,814,709)	20,461,374

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

As at 31 March 2021, trade receivables of RM9,738,408 (2020: RM10,299,173) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM4,651,274 (2020: RM4,789,672), relate to customers that are in financial difficulties, and have defaulted on payments and/or have disputed on billings. These balances are expected to be recovered through the debts recovery process.

13. Inventories

	Group 2021 RM	Group 2020 RM
Trading inventories	744,483	637,246
Spare parts and consumables	96,569	103,487
	841,052	740,733
Recognised in profit or loss:		
Inventories recognised as cost of sales	3,707,412	9,024,691

14. Other Receivables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Amount due from associates	610,287	1,209,456	21,846	28,524
Companies in which certain Directors have substantial financial interests	161,500	-	-	-
Other receivables	8,133,049	404,521	-	-
Prepayments	1,610,583	1,358,845	140,603	-
Deposits	796,649	886,602	4,500	5,414
	11,312,068	3,859,424	166,949	33,938

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

15. Contract Assets

		Group	
		2021	2020
	Note	RM	RM
Current			
Contract assets			
Construction contracts	(a)	246,967	-
Labour and handling services	(b)	1,028,524	1,549,999
		1,275,491	1,549,999

(a) Construction contracts

	Group	
	2021	2020
	RM	RM
Contract costs incurred to date	246,967	-
Presented as:		
Contract assets	246,967	-

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when right to bill becomes unconditional.

Revenue expected to be recognise in the future relating to performance obligations that are unsatisfied is RM99,009,252. The Group expects to recognise this revenue as the construction contracts activities are completed, which is expected to occur over the next 28 months.

(b) Labour and handling services

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its labour and handling services. The contract assets will be transferred to trade receivables when the rights become unconditional.

16. Deposits, Bank and Cash Balances

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Cash and bank balances	5,455,180	7,330,398	8,623	11,417
Fixed deposits placed with licensed banks	723,860	711,826	-	-
Short-term fund deposits	4,684,593	5,521,028	-	-
	10,863,633	13,563,252	8,623	11,417

The effective interest rates and maturities of the fixed deposits and short-term fund deposits of the Group as at the end of the reporting period range from 2.1% to 7.06% (2020: 3.33% to 3.65%) per annum and 1 month (2020: 1 month) respectively.

17. Non-Current Assets Classified as Held for Sale

The following assets were classified as held for sale:

Planned disposal of investment properties

	Group 2021 RM	Group 2020 RM
Details of assets classified as held for sale are as follows:		
Freehold lands and buildings (Note 7)	14,419,190	-

During the financial year, the Group entered into a sale and purchase agreement with third party to dispose the above assets for total cash consideration of RM46,962,465. The disposal has yet to be completed as at 31 March 2021.

18. Share Capital

	Group and Company			
	Number of shares		Amount	
	2021	2020	2021	2020
	Units	Units	RM	RM
Ordinary shares issued and fully paid with no par value				
At 1 April/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.

19. Retained Earnings

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

20. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 28 September 2020, 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			
	Number of shares		Amount	
	2021	2020	2021	2020
	Units	Units	RM	RM
At 1 April/31 March	373,000	373,000	372,200	372,200

No repurchase of treasury shares during the financial year. As at the end of the reporting period, 373,000 shares (2020: 373,000 shares) remain unchanged.

21. Loans and Borrowings

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Secured					
Term loans	(a)	21,946,271	23,411,593	2,136,992	2,651,710
Bank overdrafts	(a)	409,781	574,849	-	-
		22,356,052	23,986,442	2,136,992	2,651,710
Unsecured					
Bank overdrafts	(b)	4,199,650	3,831,956	3,772,951	3,443,367
Revolving credits	(b)	3,652,026	3,653,085	-	-
Bankers' acceptance	(b)	426,106	96,000	-	-
		8,277,782	7,581,041	3,772,951	3,443,367
		30,633,834	31,567,483	5,909,943	6,095,077
Non-current					
Term loans	(a)	18,773,905	21,158,363	1,159,173	1,851,470
Current					
Term loans	(a)	3,172,366	2,253,230	977,819	800,240
Bankers' acceptance	(b)	426,106	96,000	-	-
Bank overdrafts	(a) (b)	4,609,431	4,406,805	3,772,951	3,443,367
Revolving credits	(b)	3,652,026	3,653,085	-	-
		11,859,929	10,409,120	4,750,770	4,243,607
		30,633,834	31,567,483	5,909,943	6,095,077

21. Loans and Borrowings (Cont'd)

(a) 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 right-of-use assets of the subsidiary companies as disclosed in Notes 5 and 6 respectively to the financial statements;

(ii) Facilities agreements as principal instrument;

(iii) Certain motor vehicles of the Group as disclosed in Note 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 certain 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.

The average effective interest rates per annum are as follows:

	Group		Company	
	2021	2020	2021	2020
	%	%	%	%
Term loans	3.12 - 5.45	3.87 - 6.95	5.45	4.45 - 6.95
Bankers' acceptance	2.03 - 4.99	3.27	-	-
Bank overdrafts	5.95 - 7.14	4.49 - 8.50	5.95	6.47
Revolving credits	3.44 - 4.53	4.23 - 4.53	-	-

22. Lease Liabilities

	Group 2021 RM	Group 2020 RM
At 1 April	9,080,746	-
Effect of adopting MFRS 16	-	9,418,468
	9,080,746	9,418,468
Additions	1,594,201	2,520,384
Acquisitions through business combination (Note 8)	1,484,264	-
Interest expense recognised in profit or loss	288,982	603,919
Modification of lease terms	(32,004)	-
Payments	(4,115,974)	(3,462,025)
Disposal of a subsidiary company (Note 8)	(1,706,478)	-
At 31 March	6,593,737	9,080,746
Presented as:		
Non-current	2,261,304	3,935,470
Current	4,332,433	5,145,276
	6,593,737	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	4,586,842	5,518,682
Later than one year and not later than two years	1,777,112	3,263,026
Later than two years and not later than five years	569,363	821,038
	6,933,317	9,602,746
Less: Future finance charges	(339,580)	(522,000)
Present value of minimum lease payments	6,593,737	9,080,746
Present value of minimum lease payments:		
Within one year	4,332,433	5,145,276
Later than one year and not later than two years	1,706,760	3,135,916
Later than two years and not later than five years	554,544	799,554
	6,593,737	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 range from 4.48% to 6.60% (2020: 4.48% to 7.24%).

23. Deferred Tax Liabilities

	Group 2021 RM	Group 2020 RM
At 1 April	1,216,135	1,726,761
Recognised in profit or loss	(248,095)	(304,290)
Over provision in prior years	(94,975)	(206,336)
At 31 March	873,065	1,216,135

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

	Group 2021 RM	Group 2020 RM
Deferred tax assets	(1,301,134)	(1,397,272)
Deferred tax liabilities	2,174,199	2,613,407
	873,065	1,216,135

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

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Others RM	Total RM
Group				
Deferred tax assets				
At 1 April 2020	(813,352)	(527,745)	(56,175)	(1,397,272)
Recognised in profit or loss	(50,614)	176,739	(38,263)	87,862
(Under)/Over provision in prior years	(3,688)	(17,589)	29,553	8,276
At 31 March 2021	(867,654)	(368,595)	(64,885)	(1,301,134)
At 1 April 2019	(887,859)	(500,272)	-	(1,388,131)
Disposal of a subsidiary company	8,848	5,533	-	14,381
Recognised in profit or loss	(2,255)	(51,553)	(16,449)	(70,257)
Over/(Under) 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)

23. Deferred Tax Liabilities (Cont'd)

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

	Accelerated capital allowances RM
Group	
Deferred tax liabilities	
At 1 April 2020	2,613,407
Recognised in profit or loss	(335,957)
Over provision in prior years	(103,251)
At 31 March 2021	2,174,199
At 1 April 2019	3,114,892
Disposal of a subsidiary company	(14,381)
Recognised in profit or loss	(234,033)
Over 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	
	2021 RM	2020 RM
Unutilised tax losses	4,739,482	4,262,884
Unabsorbed capital allowances	1,361,691	978,193
Others	1,146,167	1,196,063
	7,247,340	6,437,140

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 have a recent history of losses.

24. Trade Payables

	Group 2021 RM	Group 2020 RM
Non-current		
Amount due to associates	-	317,188
Current		
Trade payables	9,603,635	6,851,686
Amount due to associates	1,430,663	798,870
Amount due to a shareholder of a subsidiary company	356,235	231,852
Amount due to related parties	240,319	254,475
Retention sum	-	1,198
	11,630,852	8,138,081
	11,630,852	8,455,269

Credit terms of trade payables of the Group ranged from 7 to 90 days (2020: 7 to 90 days), depending on the term of the contracts. Other credit terms are assessed and approved on a case by case basis.

Amount due to associates, a 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.

25. Other Payables

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-current				
Other payables	51,130	43,687	-	-
Shareholders of a subsidiary company	90,650	90,650	-	-
	141,780	134,337	-	-

25. Other Payables (Cont'd)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Current				
Other payables	8,338,392	530,892	38,590	18,639
Amount due to associates	66,673	82,345	-	-
Shareholders of a subsidiary company	290,000	190,000	-	-
Deposits	243,055	241,559	-	-
Accruals	3,403,645	2,887,788	100,260	174,660
	12,341,765	3,932,584	138,850	193,299
	12,483,545	4,066,921	138,850	193,299

Amount due to associates and shareholders of a subsidiary company 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.

26. Revenue

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue from contracts with customers:				
Sale of goods	74,181	398,008	-	-
Rendering of services	77,859,455	93,412,657	-	-
Construction contracts	-	89,879	-	-
	77,933,636	93,900,544	-	-
Revenue from other sources:				
Dividends income	-	-	1,200,000	2,400,000
Rental of properties	228,600	219,600	-	-
Rental income from warehousing services	1,501,944	1,443,635	-	-
	1,730,544	1,663,235	1,200,000	2,400,000
	79,664,180	95,563,779	1,200,000	2,400,000

26. Revenue (Cont'd)

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Timing of revenue recognition:				
At a point in time	77,933,636	93,810,665	-	-
Over time	-	89,879	-	-
Total revenue from contracts with customers	77,933,636	93,900,544	-	-

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

	Transportation and logistics services RM	Trading RM	Construction contracts RM	Total RM
2021				
Major goods and services:				
Sale of goods	-	74,181	-	74,181
Rendering of services	77,859,455	-	-	77,859,455
Total revenue from contracts with customers	77,859,455	74,181	-	77,933,636
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

26. Revenue (Cont'd)

Breakdown of the Group's revenue from contracts with customers: (Cont'd)

	Transportation and logistics services RM	Trading RM	Construction contracts RM	Others RM	Total RM
Group					
Georgraphical market:					
2021					
Malaysia	77,859,455	74,181	-	1,730,544	79,664,180
2020					
Malaysia	93,412,657	398,008	89,879	1,663,235	95,563,779

27. Staff Costs

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries, wages and other emoluments	16,002,043	21,125,503	33,000	29,000
Fees	356,375	307,500	58,000	58,000
Social security contributions	249,214	330,267	-	-
Defined contributions plans	2,107,176	2,552,038	-	-
	18,714,808	24,315,308	91,000	87,000

27. Staff Costs (Cont'd)

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Exitsting Directors of the Company				
Salaries, wages and other emoluments	848,800	1,205,500	-	-
Fees	116,375	112,500	32,000	32,000
Social security contributions	5,356	7,068	-	-
Defined contribution plans	97,382	173,830	-	-
	1,067,913	1,498,898	32,000	32,000
Estimated value of benefits-in-kind	30,711	42,804	-	-
	1,098,624	1,541,702	32,000	32,000
Existing Directors of the subsidiary companies				
Salaries, wages and other emoluments	1,995,773	2,108,734	-	-
Fees	214,000	169,000	-	-
Social security contributions	12,029	12,187	-	-
Defined contribution plans	253,972	307,836	-	-
	2,475,774	2,597,757	-	-
Estimated value of benefits-in-kind	26,742	44,328	-	-
	2,502,516	2,642,085	-	-

27. 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	
	2021	2020	2021	2020
	RM	RM	RM	RM
Past Director of the subsidiary companies *				
Salaries, wages and other emoluments	-	127,800	-	-
Social security contributions	-	445	-	-
Defined contribution plans	-	5,112	-	-
	-	133,357	-	-
Estimated value of benefits-in-kind	-	5,067	-	-
	-	138,424	-	-
Total Executive Directors' remuneration	3,543,687	4,230,012	32,000	32,000

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

28. Finance Costs

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Commitment fee	13,853	12,893	-	-
Interest expenses of financial liabilities not at fair value through profit or loss:				
- Amount owing to related companies	-	-	55,307	3,644
- Bankers' acceptance	6,077	12,617	-	-
- Bank overdrafts	253,619	336,084	225,196	276,950
- Lease liabilities	288,982	603,919	-	-
- Term loans	814,605	874,286	136,881	200,061
- Revolving credits	137,795	175,280	-	-
- Others	12,570	40,829	-	7,932
	1,513,648	2,043,015	417,384	488,587
	1,527,501	2,055,908	417,384	488,587

29. (Loss)/Profit Before Tax

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

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Auditors' remuneration				
- Statutory audits				
- current year	124,500	148,500	20,000	22,000
- (over)/under provision in prior years	(7,583)	4,260	(1,320)	-
- Non-audit services	5,000	5,000	5,000	5,000
Bad debts written off	7,632	2,887	-	-
Bargain purchase of a subsidiary company	(204,277)	-	-	-

29. (Loss)/Profit Before Tax (Cont'd)

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Depreciation of:				
- property, plant and equipment	3,985,381	4,637,535	-	-
- right-of-use assets	3,927,261	4,293,111	-	-
- investment properties	69,341	71,415	-	-
Gain on disposal of:				
- property, plant and equipment	(540,263)	(350,003)	-	-
- right-of-use assets	(11,502)	-	-	-
- investment properties	-	(92,375)	-	-
- other investments	(7,300)	-	-	-
Gain on modification of lease terms	(1,051)	-	-	-
Loss/(Gain) on foreign exchange:				
- realised	71,435	34,722	-	-
- unrealised	202	(2,646)	-	-
Impairment losses on:				
- investments in subsidiary companies	-	-	285,632	2,005,350
- property, plant and equipment	153,199	-	-	-
- trade receivables	77,401	3,031,651	-	-
Interest income	(249,166)	(390,315)	(907,028)	(852,470)
Loss/(Gain) on disposal of subsidiary companies	103,478	(102,834)	91,348	36,969
Lease expenses relating to short-term leases:				
- lorry	36,900	10,550	-	-
- office	36,800	45,300	-	-
- equipment	10,404	20,457	-	-
- storage	-	7,800	-	-
- warehouse	15,100	28,710	-	-

29. (Loss)/Profit Before Tax (Cont'd)

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

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
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	33,000	29,000	33,000	29,000
Property, plant and equipment written off	16,841	2,084	-	-
Rental income	(304,320)	(297,600)	-	-
Reversal of impairment losses on trade receivables	(82,560)	(328,870)	-	-

30. Taxation

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Tax expenses reconigsed in profit or loss				
Current tax				
- Current year	1,334,417	895,384	159,000	196,497
- (Over)/Under provision in prior years	(197,692)	90,953	(54,061)	13,520
	1,136,725	986,337	104,939	210,017
Deferred tax				
- Origination and reversal of temporary differences	(248,095)	(304,290)	-	-
- Over provision in prior years	(94,975)	(206,336)	-	-
	(343,070)	(510,626)	-	-
	793,655	475,711	104,939	210,017

30. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

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 of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
(Loss)/Profit before tax	(3,926,110)	(7,370,981)	1,146,996	480,713
At Malaysian statutory tax rate of 24% (2020: 24%)	(942,266)	(1,769,036)	275,279	115,371
Expenses not deductible for tax purposes	1,775,399	1,965,607	171,721	657,126
Income not subject to tax	(557,011)	(705,537)	(288,000)	(576,000)
Utilisation of deferred tax assets not recognised	-	(201,798)	-	-
Deferred tax assets not recognised	810,200	1,301,858	-	-
	1,086,322	591,094	159,000	196,497
(Over)/Under provision of income tax expenses in prior years	(197,692)	90,953	(54,061)	13,520
Over provision of deferred tax in prior years	(94,975)	(206,336)	-	-
	793,655	475,711	104,939	210,017

The Group has estimated unutilised tax losses and unabsorbed capital allowances of RM21,283,654 (2020: RM20,034,242) and RM9,288,938 (2020: RM7,480,138) respectively available for caried forward to set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses.

The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment and any balance thereafter shall be disregarded.

31. Reconciliation of Liabilities Arising from Financing Activities

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

			Non-cash changes				
	At 1.4.2020 RM	**Financing cash flows (i) RM**	**Acquisitions and disposal of a subsidiary company (Note 8) RM**	**New lease (Note 22) RM**	**Modification of lease terms (Note 22) RM**	**Other changes (ii) RM**	**At 31.3.2021 RM**
Group							
Dividends payable	-	(936,624)	-	-	-	936,624	-
Term loans (Note 21)	23,411,593	(1,465,322)	-	-	-	-	21,946,271
Lease liabilities (Note 22)	9,080,746	(3,826,992)	(222,214)	1,594,201	(32,004)	-	6,593,737
Revolving credits (Note 21)	3,653,085	(1,059)	-	-	-	-	3,652,026
Bankers' acceptances (Note 21)	96,000	330,106	-	-	-	-	426,106
	36,241,424	(5,899,891)	(222,214)	1,594,201	(32,004)	936,624	32,618,140

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

The table below shows 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	Effect of adopting MFRS 16 RM	Financing cash flows (i) RM	Non-cash changes New lease (Note 22) RM	At 31.3.2020 RM
Term loans (Note 21)	17,932,141	-	5,479,452	-	23,411,593
Finance lease liabilities	7,648,836	(7,648,836)	-	-	-
Lease liabilities (Note 22)	-	9,418,468	(2,858,106)	2,520,384	9,080,746
Revolving credits (Note 21)	3,480,186	-	172,899	-	3,653,085
Bankers' acceptances (Note 21)	252,000	-	(156,000)	-	96,000
	29,313,163	1,769,632	2,638,245	2,520,384	36,241,424

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

The table below shows 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 1.4.2020 RM	Financing cash flows (i) RM	Non-cash changes Other changes (ii) RM	At 31.3.2021 RM
Company				
Dividends payable	-	(936,624)	936,624	-
Term loans (Note 21)	2,651,710	(514,718)	-	2,136,992
Amount due to subsidiary companies (Note 15)	1,002,764	813,722	-	1,816,486
	3,654,474	(637,620)	936,624	3,953,478

	At 1.4.2019 RM	Financing cash flows (i) RM	Non-cash changes Other changes (ii) RM	At 31.3.2020 RM
Term loans (Note 21)	3,399,646	(747,936)	-	2,651,710
Amount due to subsidiary companies (Note 15)	70,604	932,160	-	1,002,764
	3,470,250	184,224	-	3,654,474

(i) The cash flows from dividends payable, loans and borrowings, lease liabilities and amount due (from)/to subsidiary companies make up the net amount of proceeds from or repayments or payment of borrowings in the statements of cash flows.

(ii) Other changes of the Group and of the Company include balance payables, additional investment in subsidiary companies and associates and dividends payable to the owners of the Company.

32. Loss Per Share

(a) Basis 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	
	2021	**2020**
	RM	**RM**
Loss attributable to owners of the parent	(3,272,474)	(6,617,987)
Weighted average number of ordinary shares in issue		
Issued ordinary shares at 1 April	80,426,301	80,426,301
Effect on treasury shares held	(373,000)	(373,000)
Weighted average number of ordinary shares as at 31 March	80,053,301	80,053,301
Basic loss per ordinary share (in sen)	(4.09)	(8.27)

(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.

33. Dividends

	Group and Company	
	2021	2020
	RM	RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
- An interim single tier dividend of RM0.0117 per ordinary share in respect of financial year ended 31 March 2021	936,624	-

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

34. Commitments

	Group	
	2021	2020
	RM	RM
Capital expenditure		
Authorised and contract for:		
- property, plant and equipment	675,302	976,150

35. Contingencies

	Company	
	2021	2020
	RM	RM
Unsecured		
Corporate guarantee given to financial institutions for banking facilities granted to certain subsidiary companies	7,776,849	23,073,575

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.

36. 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 normal trade. 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**	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
(i) Transaction with subsidiary companies				
- Interest receivable	-	-	906,981	852,470
- Interest payable	-	-	55,307	3,644
- Dividends income receivable	-	-	1,200,000	2,400,000
- Management fee payable	-	-	18,000	-

36. 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 normal trade. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
(ii) Transactions with associates				
- Transportation and forwarding charges payable	4,437,715	4,746,757	-	-
- Transportation and forwarding charges receivable	4,974,431	6,031,526	-	-
- Ocean freight charges receivable	7,080	-	-	-
- Hiring of motor vehicles and mobile cranes receivable	248,920	-	-	-
- Hiring of motor vehicles and mobile cranes payable	10,464	-	-	-
- Rental receivable	49,014	56,330	-	-
- Rental payable	51,782	37,017	-	-
- Software income receivable	800	1,500	-	-
- Interest receivable	13,969	16,035	47	-
- Interest payable	7,508	-	-	-
- Management fee receivable	224,900	183,000	-	-
- Management fee payable	24,500	-	-	-
- Warehouse income receivable	2,640	8,925	-	-
- Warehouse expenses payable	19,381	4,511	-	-

36. 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 normal trade. 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	
	2021 RM	2020 RM	2021 RM	2020 RM
(iii) Transactoins with companies in which certain Directors of the Company have substantial financial interest				
- Transportation and forwarding charges payable	319,225	269,901	-	-
- Warehouse and crane charges receivable	221,050	192,150	-	-
- Interest income	-	101,729	-	-
- Labour and handling services receivable	3,628,228	4,253,127	-	-
- Labour and handling services payable	329,418	151,518	-	-
- Sale of goods	62,147	397,046	-	-
(iv) Transactions with shareholders of certain subsidiary companies				
- Transportation and forwarding charges receivable	134,495	198,922	-	-
- Transportation and forwarding charges payable	836,436	851,219	-	-
- Hiring of heavy vehicles receivable	3,970	4,830	-	-

36. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Notes 27 and 29.

37. 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.

37. 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
2021							
Revenue							
External revenue	76,702,483	86,199	2,646,898	228,600	79,664,180	-	79,664,180
Inter-segment sales	8,443,277	1,452,259	652,500	2,334,000	12,882,036	(12,882,036)	-
Total revenue	85,145,760	1,538,458	3,299,398	2,562,600	92,546,216	(12,882,036)	79,664,180
Results							
Interest income	702,998	1,271	6,448	1,030,461	1,741,178	(1,492,012)	249,166
Finance costs	1,811,889	266,191	124,433	2,104,163	4,306,676	(2,793,028)	1,513,648
Dividends income	-	-	-	1,200,000	1,200,000	(1,200,000)	-
Depreciation	8,527,902	528,495	1,015,765	889,989	10,962,151	(2,980,168)	7,981,983
Other non-cash items	(197,463)	(394,215)	-	91,348	(500,330)	12,130	(488,200)
Share of results of associates	-	-	-	-	-	240,921	240,921
Segment loss	(252,767)	(440,439)	(2,011,150)	(312,044)	(3,016,400)	(909,710)	(3,926,110)
Taxation	(397,314)	-	-	(393,469)	(790,783)	(2,872)	(793,655)
Segment assets	107,809,150	2,912,285	3,815,343	148,920,071	263,456,849	(123,565,876)	139,890,973
Included in the measurement of segment assets are:							
Capital expenditure	3,513,979	-	412,481	1,583,448	5,509,908	(4,976)	5,504,932
Investments in associates	1,675,866	-	-	9,165,650	10,841,516	(480,346)	10,361,170

37. 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 revenue	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

37. Segmental 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 consists of the following items as presented in the respective notes to the financial statements:

	Group	
	2021	**2020**
	RM	**RM**
Bad debts written off	7,632	2,887
Bargain purchase of a subsidiary company	(204,277)	-
Gain on disposal of:		
- property, plant and equipment	(540,263)	(350,003)
- right-of-use assets	(11,502)	-
- investment properties	-	(92,375)
- other investments	(7,300)	-
Gain on modification of lease term	(1,051)	-
Impairment losses on:		
- property, plant and equipment	153,199	-
- trade receivables	77,401	3,031,651
Loss/(Gain) on disposal of subsidiary companies	103,478	(102,834)
Unrealised loss/(gain) on foreign exchange	202	(2,646)
Property, plant and equipment written off	16,841	2,084
Reversal of impairment losses on trade receivables	(82,560)	(328,870)
	(488,200)	2,159,894

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

	Group	
	2021	**2020**
	RM	**RM**
Tax recoverable	523,202	278,266

Geographic information

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

37. Segmental Information (Cont'd)

Major customer

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

38. 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:

	At amortised cost RM	AT FVTOCI RM	AT FVTPL RM	Total RM
Group				
2021				
Financial assets				
Other investments	-	53,200	441,685	494,885
Trade receivables	20,656,344	-	-	20,656,344
Other receivables (excluding prepayments)	9,701,485	-	-	9,701,485
Deposits, cash and bank balances	10,863,633	-	-	10,863,633
	41,221,462	53,200	441,685	41,716,347
Financial liabilities				
Loans and borrowings	30,633,834	-	-	30,633,834
Lease liabilities	6,593,737	-	-	6,593,737
Trade payables	11,630,852	-	-	11,630,852
Other payables	12,483,545	-	-	12,483,545
	61,341,968	-	-	61,341,968

38. 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 RM	AT FVTOCI RM	AT FVTPL RM	Total RM
Group (Cont'd)				
2020				
Financial assets				
Other investments	-	81,200	-	81,200
Trade receivables	20,461,374	-	-	20,461,374
Other receivables (excluding prepayments)	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

	At amortised cost RM
Company	
2021	
Financial assets	
Other receivables (excluding prepayments)	26,346
Amount due from subsidiary companies	43,933,465
Deposits, cash and bank balances	8,623
	43,968,434
Financial liabilities	
Loans and borrowings	5,909,943
Other payables	138,850
Amount due to subsidiary companies	1,816,486
	7,865,279

38. 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 RM
Company (Cont'd)	
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

(b) Net gains and losses arising from financial instruments

	Group	
	2021 RM	2020 RM
Financial assets at amortised cost		
Impairment losses on trade receivables	(77,401)	(3,031,651)
Reversal of impairment losses on trade receivables	82,560	328,870
	5,159	(2,702,781)

38. Financial Instruments (Cont'd)

(c) 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 deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

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

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

38. Financial Instruments (Cont'd)

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

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies.

The Company's maximum exposure in this respect is RM7,776,849 (2020: RM23,073,575), representing the outstanding banking facilities to the subsidiary companies 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. The Company has no significant concentration of credits 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. The Group and the Company finance its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

38. Financial Instruments (Cont'd)

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

(ii) Liquidity risks (Cont'd)

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

Group	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
2021						
Non-derivative financial liabilities						
Term loans	2,508,755	2,974,547	7,605,757	18,699,940	31,788,999	21,946,271
Bankers' acceptance	426,106	-	-	-	426,106	426,106
Bank overdrafts	4,609,431	-	-	-	4,609,431	4,609,431
Revolving credits	3,652,026	-	-	-	3,652,026	3,652,026
Lease liabilities	4,586,842	1,777,112	569,363	-	6,933,317	6,593,737
Trade payables	11,630,852	-	-	-	11,630,852	11,630,852
Other payables	12,341,765	30,000	130,000	-	12,501,765	12,483,545
	39,755,777	4,781,659	8,305,120	18,699,940	71,542,496	61,341,968

38. Financial Instruments (Cont'd)

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

(ii) Liquidity risks (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 (Cont'd)	**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**
2020						
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 payables	8,129,933	160,000	181,700	-	8,471,633	8,455,269
Other payables	3,935,140	30,000	120,000	-	4,085,140	4,066,921
	28,108,170	7,079,976	11,607,587	18,856,909	65,652,642	53,170,419

38. Financial Instruments (Cont'd)

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

(ii) Liquidity risks (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)

Company	**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**
2021					
Non-derivative financial liabilities					
Term loans	1,070,100	1,070,100	147,074	2,287,274	2,136,992
Bank overdrafts	3,772,951	-	-	3,772,951	3,772,951
Other payables	138,850	-	-	138,850	138,850
Amount due to subsidiary companies	1,816,486	-	-	1,816,486	1,816,486
Financial guarantee liabilities *	7,228,322	262,273	402,272	7,892,867	7,776,849
	14,026,709	1,332,373	549,346	15,908,428	15,642,128

38. Financial Instruments (Cont'd)

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

(ii) Liquidity risks (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)

Company (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**
2020					
Non-derivative financial liabilities					
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
Other payables	193,299	-	-	193,299	193,299
Amount due to subsidiary companies	1,002,764	-	-	1,002,764	1,002,764
Financial guarantee liabilities *	23,073,575	-	-	23,073,575	23,073,575
	28,656,685	943,680	1,885,221	31,485,586	30,364,715

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

38. Financial Instruments (Cont'd)

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

(ii) Liquidity risks (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 end of the financial year, there was no indication that the subsidiary companies would default on repayment.

The maximum amount of the financial guarantee issued to the banks for subsidiary companies' loans and borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM7,776,849 (2020: RM23,073,575). At the end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has 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.

38. Financial Instruments (Cont'd)

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

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in		
	USD	**THB**	**Total**
	RM	**RM**	**RM**
Group			
2021			
Trade receivables	929,423	1,015,121	1,944,544
Cash and bank balances	702,672	84,455	787,127
Trade payables	(263,060)	(639,916)	(902,976)
	1,369,035	459,660	1,828,695
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

Foreign currency sensitivity analysis

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.

38. Financial Instruments (Cont'd)

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

(iii) Market risk (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The following table demonstrates the sensitivity of the Group's loss 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**	**2021 Effect on loss before tax RM**	**Change in currency rate RM**	**2020 Effect on loss before tax RM**
USD	Strengthened 5%	68,452	Strengthened 5%	30,186
	Weakened 5%	(68,452)	Weakened 5%	(30,186)
THB	Strengthened 5%	22,983	Strengthened 5%	78,844
	Weakened 5%	(22,983)	Weakened 5%	(78,844)

(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 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 monitor 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.

38. Financial Instruments (Cont'd)

(c) 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:

	2021 RM	2020 RM
Group		
Fixed rate instruments		
Financial assets	1,451,989	1,558,444
Financial liabilities	(6,593,737)	(9,080,746)
	(5,141,748)	(7,522,302)
Floating rate instruments		
Financial assets	4,684,593	5,521,028
Financial liabilities	(30,633,834)	(31,567,483)
	(25,949,241)	(26,046,455)
Company		
Fixed rate instruments		
Financial assets	35,423,770	34,985,770
Financial liabilities	(1,800,000)	(1,002,732)
	33,623,770	33,983,038
Floating rate instruments		
Financial liabilities	(5,909,943)	(6,095,077)

Interest rate risk sensitivity analysis

<u>Fair value sensitivity analysis for fixed rate instruments</u>

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.

38. Financial Instruments (Cont'd)

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

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group' and the Company's (loss)/profit before tax by RM259,492 and RM59,099 (2020: RM260,465 and RM60,951) 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.

(d) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

38. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

(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.

Fair value of borrowings from banks and lease liabilities are Level 2 because they are estimated by discounting the future contractual cash flows at the current market rate available for similar borrowings.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as key unobservable inputs used in the valuation method.

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

Type	Valuation technique and key inputs	Significant unobservable inputs
loans to subsidiary companies	Discounted cash flows using a rate based on the estimated by the Directors on internal appraisal	Interest rate (2.5%)

39. 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**	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Loans and borrowings (Note 21)	30,633,834	31,567,483	5,909,943	6,095,077
Lease liabilities (Note 22)	6,593,737	9,080,746	-	-
Less: Deposits, cash and bank balances (Note 16)	(10,863,633)	(13,563,252)	(8,623)	(11,417)
Net debts	26,363,938	27,084,977	5,901,320	6,083,660
Total equity	77,022,095	82,529,340	81,339,142	81,233,709
Gearing ratio (times)	0.342	0.328	0.073	0.075

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

40. Subsequent Events

On 28 May 2021, SH Moment Builder Sdn. Bhd. ("SHM"), a subsidiary company of the Group proposes to increase its issued share capital from RM2,000,000 to RM4,000,000 by issue and allotment of 2,000,000 shares on a pro-rata basis to its existing shareholders to meet its working capital requirements for the East Coast Rail Link Project.

The Company proposes to further subscribe for its entitlement of 51%, represent 1,020,000 ordinary shares in SHM for a total cash consideration of RM1,020,000.

41. Significant Events

On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 1 May 2020 and further extended through a conditional MCO till 9 June 2020. The conditional MCO is replaced by recovery MCO from 10 June 2020 to 31 August 2020. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. The Malaysian Government has relaxed the MCO on the transportation and logistics and trading industries as these industries provides essential services to the country. With this decision, the Group's transportation and logistics and trading operations are able to operate subject to certain operating conditions.

The Group construction segment on the progress of the ongoing projects was halted during MCO imposed by the Malaysian Government and thus the revenue recognition of these projects was impeded. The Group had obtained several approved Extension of Time ("EOT") which relives the Group from being imposed of liquidated ascertained damages for the failure to complete the construction project on time. The Group has submitted to MITI for its application to continue operation during the MCO period and on 30 May 2020 obtained operating notification and agreement of standard compliance with operating procedures during the MCO. This has allowed the Group construction segment to conditionally operate at varying capacities.

The latest imposition of the CMCO in October 2020 and 14-day MCO effective 13 January 2021 has not had any adverse impact on the Group's operations as the Group is permitted to continue with normal operations without any major form of restrictions or interruptions in daily activities, implementation of the required SOPs and conditions remain in place.

Directors are cognisant of the challenges posed by these events and the potential impact they have on the Group's and the Company's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group and the Company are unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Group and the Company are monitoring the situation closely and to mitigate the financial impact. The Group and the Company are conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

42. Comparative Information

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 March 2020.

43. 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 30 July 2021.

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 31.3.2021 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	31 years	377
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	25 years	129
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)	19 years	3,670
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	19 years	76
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	19 years	165
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	16 years	52
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	16 years	99
Lot No 157, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	1 April 2011	Vacant Land	3,189.4237 meter^3	Freehold	-	1,020

Location	Date of * Acquisition/ Valuation	Description	Approximate Land Area	Approximate Tenure	Approximate Age of Building	Net Book Value at 31.3.2021 RM'000
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	25 years	14,419
No HS(D) 60047, Mukim 01, PT 4447, Seberang Perai Tengah, Pulau Pinang	*25 July 2012	Vacant Land (Depot)	1.5391 Hektar	Leasehold	-	3,168
No HS(D) 60051, Mukim 01, PT 4445, Seberang Perai Tengah, Pulau Pinang	*16 July 2015	Vacant Land (Depot)	0.9813 Hektar	Leasehold	-	4,502
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	-	1,266
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	-	1,266
Lot 3136, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	*11 April 2018	Office / Warehouse	2.602 Hektar	Leasehold	25 years	23,425
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	2 years	711

ANALYSIS OF SHAREHOLDINGS
AS AT 9 AUGUST 2021

Issued Share	:	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	25	2.64	593	0.00
100 to 1,000 shares	192	20.27	126,354	0.16
1,001 to 10,000 shares	538	56.81	2,101,070	2.62
10,001 to 100,000 shares	141	14.89	3,954,960	4.94
100,001 to less than 5% of issued shares	46	4.86	31,794,731	39.72
5% and above of issued shares	5	0.53	42,075,593	52.56
	947	100.00	80,053,301	100.00

* The issued shares as per Record of Depositors as at 9 August 2021 exclude 373,000 shares held as treasury shares

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

NO.	NAME	Shareholdings	% of Issued Shares
1	LHG HOLDINGS SDN.BHD.	12,094,935	15.11
2	PROGEREX SDN BHD	11,952,000	14.93
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	A1 CAPITAL SDN BHD	3,000,000	3.75
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SI THO YOKE MENG	2,634,300	3.29
8	HEAN BROTHERS HOLDINGS SDN. BHD.	2,524,714	3.15
9	SKYLITECH RESOURCES SDN. BHD.	2,382,100	2.98
10	MONT PRISTINE DEVELOPMENT SDN. BHD.	2,068,000	2.58

THIIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS (CONT'D)

NO.	NAME	Shareholdings	% of Issued Shares
11	KHALID H.A.ZAINY MOTWAKIL	1,951,100	2.44
12	RANI WONGTOMO	1,921,681	2.40
13	LEE LAI YENG	1,783,310	2.23
14	LEE CHOR MIN	1,100,000	1.37
15	LEE YEE PING	1,088,000	1.36
16	YEAP YI FONG	1,000,200	1.25
17	DATO' LEE HEAN GUAN	813,600	1.02
18	LEE YEE HUEI	740,631	0.93
19	LHH HOLDINGS SDN. BHD.	728,900	0.91
20	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW AH LIAN	550,750	0.69
21	CHEAH AH KIAT	500,000	0.62
22	LEE HEAN HUAT	454,530	0.57
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HEAN TEIK	438,890	0.55
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	412,500	0.52
25	LEE HEAN BENG	405,000	0.51
26	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HARBANS KAUR A/P SAUDAGAR SINGH	399,750	0.50
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SURINDER SINGH A/L WASSAN SINGH	346,800	0.43
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE HEAN HUAT	320,000	0.40
29	POON FOOK SOO @ POON FOOK SAN	312,000	0.39
30	LEE SEOH LEI	308,000	0.38

SUBSTANTIAL SHAREHOLDERS

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

	Direct		Indirect	
SH Haulage Sdn Bhd	No. of Shares	% of Issued Share	No. of Shares	% of Issued Share
Haji Shamsul Ariffin B. Mohd Nor	300,000	30.00	-	-

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

FORM OF PROXY
TWENTY-FIFTH 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
Address:			
Email Address:			
Telephone No.:			

* and/or (*delete if not applicable)

Full Name (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Address:			
Email Address:			
Telephone No.:			

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-FIFTH ANNUAL GENERAL MEETING of the Company to be conducted on a fully virtual basis vide the online meeting platform at https://agm.digerati.com.my/pasb-online (Domain registration number D1A119533) on Wednesday, 29 September 2021 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 ________________ 2021

____
Signature of Shareholder

____
Common Seal to be affixed here if Shareholder is a Corporation

Note:

1. Virtual Annual General Meeting ("AGM")
   (a) The 25th AGM of the Company will be conducted on a fully virtual basis through **live streaming and Remote Participation and Voting ("RPV") facilities.** Please refer to the Administrative Guide for the 25th AGM for the procedures to register, participate and vote remotely via the RPV facilities.
   (b) For the purpose of complying with Section 327(2) of the Companies Act 2016, the Chairman of the meeting is required to be present at the main venue of the AGM. Members/Proxies/Corporate Representatives will **not be allowed** to attend this AGM in person at the broadcast venue on the day of the AGM.
2. **Appointment of Proxy**
   (a) 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.
   (b) 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.
   (c) 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.
   (d) 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.
   (e) 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.
   (f) In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 September 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Fold this flap for sealing

Then fold here

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

No 1062, Mukim 6, Jalan Perusahaan,
Kawasan Perusahaan Perai,
13600 Perai, Pulau Pinang.

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