SDB Selangor Dredging Berhad

Registration No.196201000105 (4624-U)

ANNUAL REPORT **2020**

DRIVING EXCELLENCE, BUILDING LIFELONG RELATIONSHIPS

Starting off as a tin mining company, **Selangor Dredging Berhad (SDB)** has grown from strength to strength. After diversifying into other areas of business, SDB is now mainly focused on property development activities.

Our Brand Promise "Driving Excellence, Building Lifelong Relationships" sums up what we strive to do – driving excellence in terms of products and services to build a lifelong relationship with purchasers, hotel guests and all our stakeholders.

OUR CORE VALUES

Passionate

Determination to strive for excellence and a total commitment towards lifelong learning

Innovative

Dynamic and forward-looking leaders of new products, services and constantly seeking ways to be more relevant to customers

Results Oriented

In line with good business practices, we work according to strategy and well-defined corporate and personal goals

Caring and Respectful

We seek to continuously build relationships by caring for our stakeholders and respecting people and the environment

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY-NINTH ANNUAL GENERAL MEETING OF SELANGOR DREDGING BERHAD WILL BE CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT THE BALLROOM, HOTEL MAYA KUALA LUMPUR, 138, JALAN AMPANG, 50450 KUALA LUMPUR ON TUESDAY, 29 SEPTEMBER 2020 AT 9.00 AM FOR THE FOLLOWING PURPOSES:

1. To receive the Financial Statements for the year ended 31 March 2020 and the Directors' and Auditors' Reports thereon. **(Please refer to explanatory Note A)**

2. To approve the payment of Directors' Fees amounting to RM266,032 (2019: RM320,170) for the year ended 31 March 2020. **(Resolution 1)**

3. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors of up to RM20,000 from 1 October 2020 until the next annual general meeting of the Company. **(Resolution 2)**

4. To re-elect Dato' Christopher Chan Choun Sien who was appointed during the year and retire pursuant to Article 107(1)(a) of the Company's Constitution. **(Resolution 3)**

5. To re-elect the following directors who retire by rotation pursuant to Article 107(1)(b) of the Company's Constitution: -

   (a) Puan Selma Enolil Binti Mustapha Khalil **(Resolution 4)**

   (b) Ms Teh Lip Kim **(Resolution 5)**

6. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

7. Authority to Allot Shares

To consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: -

"THAT, subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorized pursuant to Section 75 of the Companies Act, 2016 to allot shares in the Company at anytime until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." **(Resolution 7)**

8. To transact any other business which due notice shall have been received.

By Order of the Board

WON SEE YEE
SEOW FEI SAN
Secretaries

Kuala Lumpur
28 August 2020

NOTES:

1. A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders WILL NOT BE ALLOWED to attend the 59th AGM of the Company in person at the Broadcast Venue on the day of the meeting.

2. Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely in the 59th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its TIIH Online website at https://tiih.online.

3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds 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.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.

6. The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.

7. The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

8. Only members whose names appear in the Record of Depositors on 22 September 2020 shall be entitled to participate in the 59th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.

9. To participate in the 59th AGM of the Company via RPV and appoint proxy/authorized representative, please follow the Procedures for RPV in the Administrative Guide.

Explanatory Notes to Special Business:

Note A – The shareholders' approval on the Audited Financial Statements are not required pursuant to Section 340 (1) of the Companies Act 2016 ("Act"), hence, the matter will not be put for voting.

Resolutions 1 & 2 – Pursuant to Section 230 (1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 59th AGM on the Directors' fees and benefits in two (2) separate resolutions as below:-

- Resolution No. 1 on payment of Directors' fees in respect of the financial year ended 31 March 2020

- Resolution No. 2 on payment of Directors' benefits (excluding Directors' fees) from 1 October 2020 until the next AGM.

The current structure for Directors' benefits of the Company is basically the meeting allowances for Board/Board Committee meetings attended. The Directors' benefits from 1 October 2020 until the conclusion of the next AGM is estimated not to exceed RM20,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' Fees and benefits paid to the Non-Executive Directors are disclosed on pages 40 to 49 of the Statement on Corporate Governance in the Annual Report 2020.

Resolution 7 – The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the 59th AGM, authority to allot shares not more than 10% of the total number of the issued share of the Company and of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of printing of the Annual Report, no new shares were issued by the Company pursuant to the authority granted to the Directors at the 58th AGM held on 27 August 2019 and the said authority will lapse at the conclusion of the 59th AGM.

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

SDB Selangor Dredging Berhad
Registration No.196201000105 (4624-U)

ADMINISTRATIVE GUIDE

FULLY VIRTUAL 59th ANNUAL GENERAL MEETING ("59th AGM") OF
SELANGOR DREDGING BERHAD ("COMPANY ")

DAY/DATE	:	TUESDAY, 29 SEPTEMBER 2020
TIME	:	9.00 A.M.
BROADCAST VENUE	:	THE BALLROOM, HOTEL MAYA KUALA LUMPUR, 138, JALAN AMPANG, 50450 KUALA LUMPUR

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the 59th AGM of the Company will be conducted entirely through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives WILL NOT BE ALLOWED to attend the 59th AGM of the Company in person at the Broadcast Venue on the day of the meeting.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company ("Board") via real time submission of typed texts) and vote (collectively, "participate") remotely in the 59th AGM of the Company using RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its **TIIH Online** website at https://tiih.online.

Shareholders who appoint proxies to participate via RPV in the 59th AGM of the Company must ensure that the duly executed Forms of Proxy are deposited either by hard copy or electronic means to Tricor no later than **Sunday, 27 September 2020** at **9.00 a.m.**

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than **Sunday, 27 September 2020** at **9.00 a.m.** in order to participate via RPV in the 59th AGM of the Company.

Attorneys appointed by power of attorney must deposit their power of attorney with Tricor not later than **Sunday, 27 September 2020** at **9.00 a.m.** in order to participate via RPV in the 59th AGM of the Company.

A shareholder who has appointed a proxy or attorney or authorised representative to participate in the 59th AGM of the Company via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at https://tiih.online.

As the 59th AGM of the Company is a fully virtual AGM, members who are unable to participate in this AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 59th AGM of the Company using the RPV are to follow the requirements and procedures as summarised below:

Procedure	Action
	BEFORE THE DAY OF 59th AGM
(a) Register as a user with TIIH Online	• Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your request	• **Registration is open from Friday, 28 August 2020** until the day of 59th AGM Tuesday, 29 September 2020. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 59th AGM to ascertain their eligibility to participate the 59th AGM using the RPV. • Login in with your user ID and password and select the corporate event: **"(REGISTRATION) SDRED 59th AGM".** • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors dated 22 September 2020, the system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. (Note: Please ensure to allow sufficient time required for the approval as a new user of TIIH Online as well as the registration for RPV in order that you can login to TIIH Online and participate the 59th AGM remotely).
	ON THE DAY OF 59th AGM
(c) Login to TIIH Online	Login with your user ID and password for remote participation at the 59th AGM at any time from **8.30 a.m.** i.e. 30 minutes before the commencement of the AGM on Tuesday, 29 September 2020 at 9.00 a.m.
(d) Participate through Live Streaming	• Select the corporate event: **"(LIVE STREAM MEETING) SDRED 59th AGM"** to engage in the proceedings of the 59th AGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 59th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e) Online Remote Voting	• Voting session commences from **9.00 a.m.** on **Tuesday, 29 September 2020** until a time when the Chairman announces the completion of the voting session of the 59th AGM. • Select the corporate event: **"(REMOTE VOTING) SDRED 59th AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation	• Upon the announcement by the Chairman on the closure of the 59th AGM, the Live Streaming will end.

Note to users of the RPV:

1. Should your application to join the meeting be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-4080 5616/011-40803168/011-40803169/011-4080 3170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF FORM OF PROXY

The procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
(a) Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
(b) Proceed with submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **"Submission of Proxy Form"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. • Review and confirm your proxy(s) appointment. • Print proxy form for your record.

VOTING PROCEDURE

The voting at the 59th AGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

To facilitate the voting process, the Company has appointed Tricor as the Poll Administrator to conduct the poll by way of online remote voting and Coopers Professional Scrutineers Sdn Bhd as the Scrutineers to verify the poll results. (Please refer to "Online Remote Voting" under item (e) in the table above on the procedure for online remote voting).

Upon completion of the voting session for the 59th AGM of the Company, the Scrutineers will verify the poll results followed by the Chairman's announcement and declaration whether the resolutions are duly passed.

GENERAL MEETING RECORD OF DEPOSITORS

For purpose of determining a member who shall be entitled to attend the 59th AGM of the Company, only the Company's members whose names appear in the Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd on **22 September 2020** shall be entitled to participate in the said meeting or appoint proxies to attend and/or vote on their behalf.

The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. Please refer to the Electronic Lodgement of Form of Proxy above for further information on submission via TIIH Online.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF THE COMPANY

Shareholders may submit questions for the Board of the Company in advance of the 59th AGM of the Company via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to log in, pose questions and submit electronically no later than **Sunday, 27 September 2020** at **9.00 a.m.** The Board will endeavour to answer the questions received at the 59th AGM of the Company.

NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gifts or food vouchers for the 59th AGM of the Company since the meeting is being conducted on a fully virtual basis.

Selangor Dredging Berhad would like to thank all its shareholders for their kind co-operation and understanding on this matter.

ENQUIRY

If you have any enquiry on the above prior to the 59th AGM of the Company, please contact the following officers during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	:	+603-2783 9299
Fax Number	:	+603-2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact persons	:	**En Zulhafri Bin Abdul Rahman** +603-2783 9289 (Zulhafri@my.tricorglobal.com) **Mr Cheng Kang Shaun** +603-2783 9241 (Kang.Shaun.Cheng@my.tricorglobal.com) **En Ahmad Syafiq** +603-2783 9248 (Ahmad.Syafiq@my.tricorglobal.com)

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 59th AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Mr Eddy Chieng Ing Huong
(Non-Independent Non-Executive)

Managing Director
Ms Teh Lip Kim
(Non-Independent Executive)

Directors
Dato' Christopher Chan Choun Sien
(Independent Non-Executive)
Appointed w.e.f. 13 July 2020

Ms Teh Lip Pink
(Non-Independent Non-Executive)

Selma Enolil Binti Mustapha Khalil
(Independent Non-Executive)

Mr Tony Lee Cheow Fui
(Independent Non Executive)
(Resigned w.e.f. 13 July 2020)

SECRETARIES

Ms Won See Yee
(MAICSA 7047024)
CCM Practicing Certificate 201908003356

Ms Seow Fei San
(MAICSA 7009732)
CCM Practicing Certificate 201908002299

AUDIT COMMITTEE

Chairman
Dato' Christopher Chan Choun Sien

Members
Mr Eddy Chieng Ing Huong
Puan Selma Enolil Binti Mustapha Khalil

NOMINATING COMMITTEE

Chairman
Dato' Christopher Chan Choun Sien

Members
Mr Eddy Chieng Ing Huong
Puan Selma Enolil Binti Mustapha Khalil

REMUNERATION COMMITTEE

Chairman
Mr Eddy Chieng Ing Huong

Members
Dato' Christopher Chan Choun Sien
Puan Selma Enolil Binti Mustapha Khalil

INVESTMENT COMMITTEE

Chairman
Mr Eddy Chieng Ing Huong

Members
Ms Teh Lip Kim
Puan Selma Enolil Binti Mustapha Khalil

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairman
Ms Teh Lip Kim

Members
Mr Loong Ching Hong
Mr Lew Shih Kee
Mr Danish Loh Yew Neng Bin Abdullah

REGISTERED OFFICE

18th Floor, West Block,
Wisma Golden Eagle Realty
142-C, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2161 3377
Fax : 603-2161 6651
Website : www.sdb.com.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222

AUDITORS

BDO PLT
Level 8, BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 603-2616 2888
Fax : 603-2616 3190

PRINCIPAL BANKERS

Public Bank Berhad
Oversea-Chinese Banking Corporation Limited - Singapore

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

LIST OF PRINCIPAL OFFICES

SDB Properties Sdn Bhd
12th Floor, South Block, Wisma Golden Eagle Realty, 142-A, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2711 2288
Fax : 603-2711 2219

SDB Interiors Sdn Bhd
9th Floor, West Block, Wisma Golden Eagle Realty, 142-C, Jalan Ampang
50450 Kuala Lumpur
Tel : 603-2171 2898/ 603-2166 2721
Fax : 603-2166 4868

Supergreen Solutions Sdn Bhd
B-1-07, Block B, 19 Sentral
Jalan Harapan, Seksyen 19
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7931 2290

Hotel Maya Kuala Lumpur
138, Jalan Ampang, 50450 Kuala Lumpur
Tel : 603-2711 8866
Fax : 603-2711 9966
Website : www.hotelmaya.com.my

SDB Asia Pte Ltd
25, Teo Hong Road, Singapore 088333
Tel : 65-6238 2288
Fax : 65-6238 1188
Website : www.sdb.com.sg

CORPORATE STRUCTURE

SDB Selangor Dredging Berhad
Registration No.196201000105 (4624-U)

SDB Properties Sdn Bhd 198901012746 (190055-A) **100%**

- SDB Damansara Sdn Bhd 199201014354 (245857-U) **100%**
- Prestij Permai Sdn Bhd 199901023668 (498568-P) **100%**
- Hayat Abadi Sdn Bhd 199901023496 (498396-X) **100%**
- SDB SS2 Development Sdn Bhd 200601003707 (723454-V) **100%**
- SDB Ampang Sdn Bhd 200701020914 (778930-P) **100%**
- Crescent Consortium Sdn Bhd 200701036969 (794998-H) **100%**
- SDB Property Management Sdn Bhd 201301008205 (1038047-H) **100%**
- SDB HOST Sdn Bhd 201501031927 (1157251-T) **100%**
- SDB Subang Development Sdn Bhd 201901026373 (1335702-V) **100%**
- SDB Kuantan Development Sdn Bhd 202001001027 (1357346-A) **100%**
- SDB Teambuild Sdn Bhd 201401020722 (1096808-X) **50%**

Seldredge Industries Sdn Berhad 198101012760 (78890-A) **100%**

SDB International Sdn Bhd 198101012761 (78891-P) **100%**

- SDB Asia Pte Ltd (200618870N) **100%**
- SDB Green Energy Pte Ltd (201102729E) **100%**
  - SuperGreen Solutions Sdn Bhd 201501028083 (1153407-M) **100%**
- Chedstone Investment Holdings Pte Ltd (200707403H) **50%**
  - SDB Guernsey Limited (53103) **100%**
- Champsworth Development Pte Ltd (200711535D) **50%**
  - Tiara Land Pte Ltd (200704699H) **100%**
  - Teratai Investment Holdings Pte Ltd (201402968E) **100%**

SDB Mining Sdn Bhd 201701013437 (1227602-A) **100%**

- Extra Diligent Sdn Bhd (1203278-V) **45%**
- Fortress Minerals Limited (201732608K) **31%**

SDB Interiors Sdn Bhd 198101012763 (78893-H) **100%**

PROFILE OF BOARD OF DIRECTORS

Mr Eddy Chieng Ing Huong

Chairman

Nationality / Gender / Age
Malaysian / Male / 63

Mr Eddy Chieng Ing Huong, age 63, Male, Malaysian Chinese, a Non-Independent and Non-Executive Director, was appointed as a Director on 30 July 1999. Mr Chieng is the Chairman of the Board, Investment and Remuneration Committees and he is also a member of the Audit and Nominating Committees.

Mr Chieng graduated from the University of New South Wales, Australia with a Bachelor of Commerce Degree with Merit in Accounting, Finance and Information Systems. He is a Fellow of the Institute of Chartered Accountants, Australia and a member of the Malaysian Institute of Accountants.

Mr Chieng has extensive senior management experience and were involved in a number of successful entrepreneurial businesses in Malaysia and overseas; primarily in ASEAN, Hong Kong and Australia.

Mr Chieng is the Executive Chairman of Esthetics International Group Berhad. He was previously the Founder/Managing Director of Nationwide Express Courier Services Berhad, Executive Director of OSK Holdings Berhad, Independent Non-Executive Director of Ancom Berhad, Nylex (Malaysia) Berhad, Oroton Group Limited (ASX listed), Senior Independent Director of QL Resources Berhad and Chairman of Asia Poly Holdings Berhad. In addition, he was instrumental in bringing Fedex to Malaysia and was a Director of Federal Express Malaysia for a number of years.

Mr Chieng is not related with any director and/or substantial shareholder of the Company. Mr Chieng has no conflict of interest with the Company except as disclosed under Note 35 of the Financial Statements. Mr Chieng has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2020.

Ms Teh Lip Kim
Managing Director

Nationality / Gender / Age
Malaysian / Female / 53

Ms Teh Lip Kim, age 53, Female, Malaysian Chinese, is the Managing Director and a substantial shareholder of the Company. She was appointed to the Board as Executive Director on 1 August 1996 and was promoted to the position of Managing Director on 1 July 1998. She is a member of the Investment Committee and she also holds directorships in other subsidiary companies of Selangor Dredging Berhad and Fortress Minerals Limited, a company listed in Catalist Board of Singapore.

Ms Teh graduated with a Bachelor of Science (Honours) in Accounting and Economics from Southampton University in United Kingdom. Prior to her return to Malaysia, she completed her Masters in Shipping, Trade and Finance from the City University Business School in 1990. Upon graduation, she ventured into her own business and was also involved in the management of properties, plantations and hotels owned by her family.

Ms Teh is the sister of Ms Teh Lip Pink, a Non-Independent and Non-Executive Director and a substantial shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 35 of the Financial Statements. Ms Teh has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2020.

Dato' Christopher Chan Choun Sien

Independent Non-Executive Director

Nationality / Gender / Age
Malaysian / Male / 50

Dato' Christopher Chan Choun Sien, age 50, Male, Malaysian Chinese, was appointed as an Independent Non-Executive Director on 13 July 2020. Dato' Christopher Chan is the Chairman of the Audit and Nominating Committees and a member of Remuneration Committee.

Dato' Christopher Chan was formerly a Managing Director of a leading investment bank in Southeast Asia and has over 24 years of experience in some of the largest mergers and acquisitions in Malaysia, IPOs, equity and debt fund raisings and corporate restructuring exercises, as well as regional private banking in Southeast Asia. He was named as one of the top 10 investment bankers in Asia (ex-Japan) by Brendan Wood International Journal in 2006.

Dato' Christopher Chan is currently the President of the Malaysian Mergers and Acquisitions Association, a body representing M&A practitioners in Malaysia. He is also presently the Deputy Chairman of the Finance and Capital Market Consultative Committee of the Associated Chinese Chambers of Commerce and Industry Malaysia.

Dato' Christopher Chan is an Independent Non-Executive Director of Rubberex Corporation (M) Berhad and Esthetics International Group Berhad as well as the Independent Non-Executive Chairman of SCH Group Berhad.

Dato' Christopher Chan holds a Bachelor of Laws (Hons) degree and a Bachelor of Commerce degree from the University of Melbourne. He attended the INSEAD-CIMB Leadership Programme (2010-2012) and is also a Certified Practising Accountant with CPA Australia.

Dato' Christopher Chan does not have any family relationship with any director and/or substantial shareholder of the Company. Dato' Christopher Chan has no conflict of interest with the Company. Dato' Christopher Chan has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2020.

Ms Teh Lip Pink

Non-Independent Non-Executive Director

Nationality / Gender / Age
Malaysian / Female / 68

Ms Teh Lip Pink, age 68, Female, Malaysian Chinese, a Non-Independent and Non-Executive Director and a substantial shareholder, was appointed as a Director of the Company on 28 July 1994. She graduated with a Higher National Diploma in Business Studies from United Kingdom. She is also a Director of other subsidiary companies of Selangor Dredging Berhad and other private companies.

Ms Teh is the sister of Ms Teh Lip Kim, the Managing Director and a substantial shareholder of the Company. Ms Teh has no conflict of interest with the Company except as disclosed under Note 35 of the Financial Statements. Ms Teh has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2020.

Puan Selma Enolil Binti Mustapha Khalil

Independent Non-Executive Director

Nationality / Gender / Age
Malaysian / Female / 49

Puan Selma Enolil Binti Mustapha Khalil, age 49, Female, Malaysian Malay, an Independent Non-Executive Director, was appointed as a Director on 31 December 2018. She is also a member of the Audit, Investment, Nominating and Remuneration Committees.

She graduated from University of Wales, Aberystwyth with a Bachelor of Laws in 1994. She obtained her Certificate in Legal Practice in 1995 and was called to the Malaysian Bar as an Advocate and Solicitor in 1996.

She started her career as an Advocate and Solicitor with Messrs Abu Talib Shahrom & Zahari in December 1996. She left Messrs Abu Talib Shahrom & Zahari in October 1998 to join TNB Remaco Sdn Bhd as a legal executive. She left TNB Remaco Sdn Bhd in June 2000 and resumed practicing law as an Advocate and Solicitor with Messrs Raslan Loong in July 2000. She left Messrs Raslan Loong in August 2003 and co-founded Messrs Enolil Loo, Advocates and Solicitors in September 2003, in which she is currently a Partner.

Puan Selma presently sits on the board of directors of Techbond Group Berhad, a company listed on the Main Market of Bursa Securities. She is also a director of Powerwell Holdings Berhad and LKL International Berhad, companies listed on the ACE Market of Bursa Securities, and is a director and trustee of Ericsen Foundation.

Puan Selma does not have any family relationship with any director and/or substantial shareholder of the Company. Puan Selma has no conflict of interest with the Company. She has no convictions of any offences within the past five years and has not been imposed by the relevant regulatory bodies any penalty during the financial year 2020.

PROFILE OF KEY SENIOR MANAGEMENT

MR LOONG CHING HONG

Group General Manager,
Selangor Dredging Berhad

Nationality / Gender / Age
Malaysian / Male / 54

Mr Loong Ching Hong, age 54, Malaysian Chinese, is the Group General Manager of Selangor Dredging Berhad. He is a member of the Malaysian Institute of Accountants and the Fellow Member of Chartered Association of Certified Accountants, United Kingdom.

He started his career as an Audit Senior in Chew Wai Khoon & Co and then as a Cost Controller in J.Walter Thompson Sdn Bhd. From 1990 to 1995, he worked as an Accountant in IJM Corporation Berhad, a public listed company in Malaysia.

In 1996, he joined Selangor Dredging Berhad as Deputy Group Financial Controller and was later promoted to Group Financial Controller within the same year.

In 2000, he became the Group General Manager of the Company. He currently holds directorship in subsidiary and associated companies of Selangor Dredging Berhad and Fortress Minerals Limited, a company listed in Catalist Board of Singapore.

Mr Loong does not have any family relationship with any director and/or substantial shareholder of the Company. Mr Loong has no conflict of interest with the Company. He has no convictions of any offences within the past five years and has not been imposed any penalty by the relevant regulatory bodies during the financial year 2020.

***Jui Residences**, **Singapore** is located right next to the Kallang River in Serangoon, District 12*

CHAIRMAN'S STATEMENT

DURING THE YEAR UNDER REVIEW, THE GROUP NAVIGATED A VERY CHALLENGING ENVIRONMENT WITH EXTERNAL UNCERTAINTIES, WEAKER ECONOMIC CONDITIONS, AS WELL AS THE COVID-19 PANDEMIC AND RESULTING MOVEMENT CONTROL ORDER (MCO) WHICH WAS IMPLEMENTED IN MALAYSIA FROM 18 MARCH 2020, AND SUBSEQUENTLY THE CIRCUIT BREAKER IN SINGAPORE FROM 4 APRIL 2020 TO CONTROL THE SPREAD OF COVID-19.

***Windows On The Park, Kuala Lumpur**, was awarded the Gold award in the Edge-Prop ILAM Malaysia's Sustainable Landscape Award and Bronze for Below 10 years Multi-own Strata Residential category at the Edge Best Managed Property Award 2020*

At the time of writing, certain MCO and Circuit Breaker restrictions have progressively been lifted, although uncertainties remain regarding further waves of the COVID-19 and the near-term outlook for the property market in Malaysia and Singapore.

Through this time, the Group is adopting a prudent approach to navigate through the rough seas before, hopefully, emerging stronger.

Specifically, for the year ended 31 March 2020, the Group registered a pre-tax profit of RM6.58 million (2019: RM35.72 million) on the back of a marginally lower turnover of RM243.85 million (2019: RM256.13 million). This was after accounting for impairment of capitalised land held for development in accordance with the Malaysian Financial Reporting Standards.

After accounting for taxation, the Group posted a net loss of RM4.48 million, as compared to the RM24.42 million net profit posted in the previous corresponding period.

GROUP OPERATIONS

During the year under review, the Group focused primarily on unsold stocks for completed developments together with developments under construction.

The Group's mixed development called SqWhere in Sungai Buloh was completed in July 2019 and has been well received due to its excellent connectivity. SqWhere is directly connected to the Kampung Selamat MRT Station via a 75m direct link bridge and has easy accessibility to major expressways.

Over in Cheras, under construction is UNA located at Jalan Peel. Comprising 316 units of service apartments, with retails units on the ground floor, UNA is located directly opposite the Sunway Velocity Mall with close proximity to the Maluri and Cochrane MRT Stations.

Across the Causeway in Singapore, the Group's waterfront development called JUI Residences located along Serangoon Road in District 12 has also been warmly received. The development overlooks the Kallang River and has a conserved building, the National Aerated Water Company (NAWC) factory within the premises. JUI Residences comprises 117 units of apartments with art-deco inspired elements from NAWC into the development.

Meanwhile, there has also been interest in One Draycott located at District 10, mere minutes away from the Scotts/Orchard Road shopping belt. When completed, this single tower project with striking gold and black façade would feature 64 exclusive units.

Hotel Maya, our hotel property located on Jalan Ampang, Kuala Lumpur saw an increase in occupancy rates of 45%, an improvement from the 38% posted in the previous year. The increase in occupancy was mainly due to various initiatives undertaken to revive the brand, coupled with efforts to make the hotel more appealing for guests.

With regards to the Group's involvement in the mining sector, our associate company Fortress Minerals Limited is a leading high-grade iron ore producer in Bukit Besi, Terengganu. It has contributed RM8.34 million of net profit to the Group during the financial year and repayment of shareholder's advances from the Group amounting to RM9.80 million has been received as of July 2020.

Awards

We are delighted to share that we were awarded the FIABCI World Gold Award in May 2019 for our development Village at Pasir Panjang for the Residential (Low Rise) category in the prestigious FIABCI Prix d'Excellence Awards held in Moscow, Russia.

At the same time, Hijauan On Cavenagh in Singapore was the award winner for Residential Development in Singapore at the Asia Pacific Property Awards 2019 held at Bangkok, Thailand. Our Property Management arm was also awarded a Gold award for the Edge Best Managed Property Award for WINDOWS ON THE PARK in the Edge-Prop ILAM Malaysia's Sustainable Landscape Award and Bronze for Below 10 years Multi-own Strata Residential category.

***SqWhere, Sungai Buloh** features an artistic and unique landscape with sculptural works*

***UNA, Kuala Lumpur** - like other SDB developments, UNA Service Apartments enjoy an expansive living space with extensive window panels for natural light penetration and ventilation*

Cost Savings Measures

The Group has also embarked on various cost saving measures across the Board in our efforts to help mitigate the impact of the challenging business conditions. As a positive sign of leadership, the Board of Directors have agreed to a reduction of 20% in Director's fees and the Management has also planned for various departments to reduce operational costs.

Besides that, the Group sought out and received applicable Government support in Malaysia and Singapore, and also renegotiated existing leases of business premises to provide lease concessions in the form of one-month rent-free period.

Dividend

The Board of Directors does not recommend any dividend for the year under review.

Acknowledgement

On behalf of the Board of Directors, I would like to record our appreciation to the management and staff for their work and contribution.

My appreciation also goes out to shareholders, customers and business associates for their continued support.

EDDY CHIENG ING HUONG
Chairman

***SqWhere, Sungai Buloh** enjoys an abundance of natural light and greenery*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial

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After accounting for taxation, the SDB Group posted a net loss of RM4.48 million, as compared to the RM24.42 million net profit posted in the previous corresponding period.

Windows On The Park*, *Kuala Lumpur *has been carefully designed and planned with a three-layered planting concept and carefully chosen florae*

Property Development

For the year under review, the SDB Group's property development divisions recorded a gross profit of RM49.97 million on a turnover of RM226.18 million. This stemmed primarily from sales of unsold stocks for completed developments together with developments under construction.

The Group's mixed development called SqWhere in Sungai Buloh was completed in July 2019 and has been well received due to its excellent connectivity. SqWhere is directly connected to the Kampung Selamat MRT Station via a 75m direct link bridge and has easy accessibility to major expressways.

Over in Cheras, under construction is UNA located at Jalan Peel. Comprising 316 units of service apartments, with retails units on the ground floor, UNA is located directly opposite the Sunway Velocity Mall with close proximity to the Maluri and Cochrane MRT Stations.

Across the Causeway in Singapore, the Group's waterfront development called JUI Residences located along Serangoon Road in District 12 has also been warmly received. The development overlooks the Kallang River and has a conserved building, the National Aerated Water Company (NAWC) factory within the premises. JUI Residences comprises 117 units of apartments with art-deco inspired elements from NAWC into the development.

Meanwhile, there has also been interest in the One Draycott development located at District 10 and mere minutes away from the Scotts/Orchard Road shopping belt. When completed, this single tower project with striking gold and black façade would feature 64 exclusive units.

We are delighted to share that we were awarded the FIABCI World Gold Award in May 2019 for our development Village at Pasir Panjang for the Residential (Low Rise) category in the prestigious FIABCI Prix d'Excellence Awards held in Moscow, Russia.

At the same time, Hijauan On Cavenagh in Singapore was the award winner for Residential Development in Singapore at the Asia Pacific Property Awards 2019 held at Bangkok, Thailand. Our Property Management arm was also awarded a Gold award for the Edge Best Managed Property Award for WINDOWS ON THE PARK in the Edge-Prop ILAM Malaysia's Sustainable Landscape Award and Bronze for Below 10 years Multi-own Strata Residential category.

Jui Residences, Singapore *comprises 117 units of apartments with art-deco inspired elements from the National Aerated Water Company into the development*

TURNOVER	PROFIT BEFORE TAXATION	NET ASSETS BACKING
RM243.85 MILLION	RM6.58 MILLION	196.29 SEN
2020: RM243.85 million	2020: RM6.58 million	2020: 196.29 sen
2019: RM256.13 million	2019: RM35.72 million	2019: 199.24 sen

Mining

With regards to the Group's involvement in the mining sector, our associate company Fortress Minerals Limited is a leading high-grade iron ore producer in Bukit Besi, Terengganu. It has generated a steady stream of income over the past 2 years and contributed RM8.34 million (2019: RM7.08 million) of net profit to the Group during the financial year and repayment of shareholder's advances from the Group amounting to RM9.80 million has been received as of July 2020.

Hospitality

The Group's hospitality division is represented by Hotel Maya Kuala Lumpur located in the heart of Kuala Lumpur City Centre, and just a short walk to the Petronas Twin Towers.

Revenue had been progressively increasing to RM14.04 million for the year under review, marginally higher than the RM13.87 million posted in the previous corresponding period. As a result, gross operating loss narrowed to RM2.33 million compared to a loss of RM2.63 million from the previous year.

During the year under review, the hotel's occupancy rate was around 45% compared, an improvement from the 38% posted in the previous year. The increase in occupancy was mainly due to various initiatives undertaken to revive the brand, coupled with efforts to make the hotel more appealing for guests.

Currently, the hotel is embarking on a refurbishing programme to make it more appealing. When completed, refurbished rooms would feature a Malaysian heritage concept with batik designs produced by local artisans from Kelantan.

At the time of writing and in accordance with the RMCO SOP (Recovery Movement Control Order Standard Operating Guidelines) guests are allowed to dine in any of the F&B outlets in the hotel where they are able to enjoy local, Chinese, Japanese and Western cuisines from a single menu. The hotel has also teamed up with an event management company specialising in Malay weddings with the hotel offering affordable and attractive packages for newly-weds.

Overall, the Hotel has also implemented cost cutting measures by reducing outsourced workers, freezing various positions in F&B and Engineering and operational cost by energy saving measures. Besides that, managerial positions and above were encouraged to be on unpaid leave during the Movement Control Order (MCO) and RMCO.

One Draycott*, *Singapore *is located in a prime location just minutes away from the world famous Scotts/Orchard Road shopping belt*

***Village at Pasir Panjang*, *Singapore* was awarded the World FIABCI Prix d'Excellence Gold Award (Low-Rise) in May 2019**

Cost Saving Measures

The World Health Organisation declared the novel coronavirus ("Covid-19") a global pandemic on 11 March 2020. The Government of Malaysia imposed the MCO on 18 March 2020 and subsequently entered into the recovery phase of RMCO until 31 August 2020. Hence, the SDB Group embarked on cost saving measures in our efforts to become more prudent.

Across the Board, the Board of Directors have agreed to a reduction of 20% in Board of Director's fees. Meanwhile, the Management has also planned for various departments to trim operational costs. On the workforce front, there is a hiring freeze with employees being directed to multi-task within the various departments.

The Group has also sought out and received wage subsidies from the government in Malaysia and Singapore, while the Group and Company have also renegotiated existing leases of business premises with lessor to provide lease concessions in the form of one-month rent-free period.

GROUP'S LANDBANK

- **Penang**
  Batu Ferringhi
  5.83 acres
- **Klang Valley**
  UNA
  0.95 acres **

  Melawati, Selangor
  23.66 acres

  Bukit Serdang, Selangor
  18.53 acres

  *** under construction*

- **Singapore**
  Jui Residences *
  31,705 sq ft

  One Draycott *
  17,422 sq ft

  Myra *
  30,689 sq ft

  ** parcels owned by joint-venture companies*

UNA, Kuala Lumpur *- an artist impression of the rooftop gives vantage views of the city's skyline*

Looking Ahead

For the time being, the SDB Group will continue with marketing efforts for SqWhere and UNA in Malaysia, together with JUI Residences and One Draycott in Singapore.

That said, there are also plans to launch a project in Singapore called Myra towards end-2020. Myra would be located at Meyappa Chettiar Road and Woodsville Close in District 13. Comprising only 85 residences in 12 storeys, this freehold development is located 150meters from the Potong Pasir MRT Station.

Back home in Malaysia, in the pipeline are two distinct projects: condo villas in Serdang and Melawati - just on the outskirts of Kuala Lumpur.

At the same time, the Group will continue to strategise marketing activities to convert inventories into sales and adopt a cautious approach in launching new developments. Currently the Group has approximately RM202.16 million of unbilled sales in hand which is derived from ongoing projects in Singapore and Malaysia.

Dividend

The Board of Directors does not recommend any dividend for the year under review.

Windows On The Park, Kuala Lumpur *- space is set aside for a park that is large enough to serve the needs of the entire community on the 8.9acres site*

SUSTAINABILITY STATEMENT

The Group acknowledges its important duty as a responsible corporate citizen and remains strongly committed to the principles and practices of sustainability. The Group values sound and responsible business ethics and encourages a transparent corporate governance. It is fully committed in practicing a high level of corporate governance across all its business activities, upholding a strong corporate culture in corporate governance, efficient in management and trustworthy in all its business dealings. This culture reflects the Group's interactions with its employees, customers, stakeholders, and the society in which it operates in, all the while considering the economic, social, and environment factors. Thus, sustainability is a factor that has been formally incorporated into the Company's Risk Framework since 2019.

SUSTAINABILITY STATEMENT

For the financial year ended 31 March 2020, the SqWhere development in Sungai Buloh was delivered on time and have met the Group's set of quality standards. The Group also understands the importance of engaging with its customers and aims to continuously improve its customer service across all levels. The valuable relationship with the residents at all of SDB's developments are fostered through targeted community activities.

As we adopt a holistic approach to business management by upholding the Economic, Environmental and Social (EES) pillars of sustainability, we continue to work closely with our various stakeholders to identify and address sustainability matters that significantly influence their decision-making. To this end, we are committed to strengthening stakeholder engagement so that we can better manage emerging issues and drive change on the ground.

We are steadfast in adopting a multi-stakeholder approach by communicating and collaborating with regulators, investors, employees, customers and other relevant stakeholders to further strengthen our performance in the context of sustainability at present and in the future.

SUSTAINABILITY GOVERNANCE

Having established a Risk Management & Sustainability Committee ("RMSC") in 2019, the core responsibilities of the RMSC are:

I. To implement sustainability strategies within the parameters of the Group's risk appetite and approved by the Board;
II. Oversee stakeholder engagement to ensure that all issues and suggestions raised are taken into consideration in managing sustainability;
III. Identify material sustainability matters for the Group, recommending strategies, setting policies, goals and targets;
IV. Co-ordinate and monitor the implementation of sustainability initiatives; and
V. Oversee the preparation of Sustainability Report and recommend it to RMSC for Board's approval.

Windows On The Park, Kuala Lumpur
- all SDB developments incorporate the sounds and sights of nature with large windows and wide balconies

SDB's SUSTAINABILITY GOVERNANCE STRUCTURE

Risk Management & Sustainability Committee (RMSC) → Board of Directors

STAKEHOLDERS ENGAGEMENT

The table below shows how SDB engages with its stakeholders:

No.	Stakeholders	Engagement Channels	Areas of Interest / Material Sustainability Matters
1.	Shareholders / Investors	• General Meetings • Bursa Malaysia announcements • Media releases • Financial / Annual reports and announcements	• Financial Performance • Return on Investment • Governance and sustainability • Risk Management
2.	Management	• Meetings with the Board • Business review • Regular strategic / operational meetings	• Interest of various stakeholders • Business growth and operational improvements • Financial results • Corporate strategies and business risk
3.	Employees	• Performance management • Events, workshops and trainings • Health and safety briefings • On-boarding and Internal communication channels such as email and group chat • Employee survey and festive celebrations	• Remuneration • Career development opportunities • Talent and performance management • Work place safety and health
4.	Customers / Tenants	• Face to face interactions • Digital and social media channels • Corporate events and formal correspondence • Customer survey / feedback	• Quality and affordability of products and services • Customer service • Safety and security • Assurance and reliability
5.	Contractors / Consultants / Vendors	• Pre-Qualification, tender and procurement process • Face to face interactions and Meetings • Corporate events and formal correspondence	• Transparent procurement practices • Payment schedule • Pricing of services • Timely completion and delivery
6.	Community / NGOs / Industry Associations (Resident Associations, Management Corporations and/or Joint Management Bodies (JMB), Real Estate and Housing Developer's Association ("REHDA"), The International Real Estate Federation ("FIABCI")	• Periodic meetings and face to face interactions • Corporate events & digital platform • Formal correspondence • Corporate social responsibility ("CSR") activities	• Environmental impact • Security and facilities management • Infrastructure enhancement • Social Issues

No.	Stakeholders	Engagement Channels	Areas of Interest / Material Sustainability Matters
7.	Financiers / Banks	• Corporate disclosure through Bursa Malaysia • Media announcement • Periodic meetings and formal correspondence	• Financial Performance • Guarantees • Payment schedules • Project launches and sales
8.	Government / Regulators	• Regular meetings and formal correspondence • Involvement through representation of working groups • Briefings and consultations • Submission of information as and when requested • Site inspection	• Compliance and adherence • Security and safety issues • Transparency and accountability • Permits and licenses

***By The Sea, Penang** is a low-density development comprising 3 low-rise blocks of 138 units of suites*

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Economic Sustainability

One of the underlying sustainability principles of the Group's business philosophy is fair dealings in its business practices, which have seen the Group managing its business well since 1962. Ethical engagement with the marketplace is something the Group takes very seriously. In this regard, the Group always strives to deliver products and services that provide value, quality and satisfaction for its customers. In line with the Group's philosophy of conducting its business dealings with integrity, a transparent procurement process is in place. The Group practices an open tender system. All appointed business partners must also comply with all statutory regulations, standards and Code of Practices as per the contract terms and conditions. Environmental, safety and health factors are also included in the supply-chain contract.

ENVIRONMENTAL SUSTAINABILITY

The Group believes that a business practice with a sustainable environment can boost its business, improve reputation and drive market opportunities. The Group also acknowledges the importance of environmental protection and preservation in all its business operations and as such, supports efforts that promote a cleaner and healthier environment in its day-to-day activities and operations. This is further demonstrated by the prestigious World awards that the Group has won consistently over the years that is not only based on a set of high-quality standards but also in enhancing the environment.

The main mission of the Group is to design, develop and manage quality developments that contribute positively to the sustainability of the environment's ecosystem. Employees are encouraged to reduce, reuse and recycle the use of paper, and employ energy-efficient practices like digital technology in its daily operations. The Group adopts environmentally friendly technologies to protect and preserve the natural environment and explore opportunities to use green and clean technologies and sustainable building materials in all our developments.

Award Wins that represents the quality of products that preserves Mother Nature that the Company has been accredited by World standards:

1. **The Edge Property Malaysia's Best Managed Property Awards - 27 June 2020 (Windows On The Park)**

   Our Property Management arm was also awarded a Gold award for the Edge Best Managed Property Award for WINDOWS ON THE PARK in the Edge-Prop ILAM Malaysia's Sustainable Landscape Award and Bronze for Below 10 years Multi-own Strata Residential category.

SqWhere, Sungai Buloh *Secret Passage is a pebbled walkway that leads you to secluded pavilions*

Village, Singapore *draws to houses of the 1950's which bring about the subtle feel of simplicity and grace.*

2. FIABCI Prix d'Excellence Awards – 30 May 2019 (Village)

Village at Pasir Panjang, Singapore was announced as the World Gold Winner of FIABCI World Prix d'Excellence Awards 2019 in the Residential (Low-Rise) category during the 2019 FIABCI World Prix d'Excellence Awards held at the Golden Palace, Moscow, Russia.

3. The Asia Pacific Property Awards – 14 & 15 May 2019 (Hijauan)

SDB Group bagged another prestigious industry award, this time the Best Residential Development in Singapore at the Asia-Pacific Property Awards 2019-2020 for its Hijauan on Cavenagh project. This latest recognition follows from its previous achievement of winning the World Silver Winner of FIABCI World Prix d'Excellence Awards 2018 in the Residential (Mid-Rise) category.

About 41% of the managerial roles are held by women, including the top post of Managing Director.

SOCIETAL SUSTAINABILITY

Employment

The Group maintains an employment workforce of about 300 people in the current challenging business environment. Its Human Resources policies and guidelines are at all times incompliance with all relevant government legislations, to ensure that its workplace embraces diversity, inclusion, empowerment and equality. Key initiatives to further strengthen the organisation include providing a conducive working environment, workplace safety, employee's engagement in festival celebrations, job enrichment and succession planning, training and development.

Employees

On gender equality, about 41% of the managerial roles are held by women, including the top post of Managing Director. And about 40% of all employees are women. All employees are given equal opportunity for career advancement and meritocracy is practiced in employee's annual performance assessment. Furthermore, the Group continues to practice the flexibility of working hours to employees, who are not involved in providing critical services. The Group is also in full compliance with accepted standards of safety and health at the workplace. And with regards to the government's SOP on handling Covid-19, all employees are provided with 3-layer face mask and all office premises provide hand sanitizers and are cleaned daily. Furthermore, all employees coming to work have their temperature screened and recorded daily. Because of all the precautions taken, there were no incidents or cases reported during the financial year.

Customer

The Group also recongnises the importance of continuously engaging with its customers, to build lifelong relationships. As such the Group is strengthening not only the quality of its products but, also its hospitality services across all levels. Feedbacks and grievances are collected and channeled to the respective teams involved at various property development levels to ensure that the products and services meet the highest level of standards to meet our customer's expectation and satisfaction. The Group also meets up regularly with financial institutions, sales agency and the media, in order to foster a closer relationship.

Community

The Group believes in sharing its success with the community and has participated in community projects for the benefit of various stakeholders.

SDB hosted a Customer & Media Appreciation Day: Madagascar the Musical at the KLCC Plenary Hall on 7 and 8 of December 2019. SDB had invited 450 attendees, consisting of valued purchasers and the press to join Alex the Lion, Marty the Zebra, Melman the Giraffe and Gloria the Hippo for a memorable musical experience.

Madagascar the Musical at the KLCC Plenary Hall was a fun-filled musical treat for SDB's purchasers and guests.

The weekend bazaar at the Hub SS2 featured small local businesses

In conjunction with International Women's Day, SDB and flakes.my co-hosted a weekend bazaar consisting of small sustainable local business selling their offerings to the SS2 community at The Hub SS2. The bazaar was held at the landscaped gardens of The Hub@SS2 on 7 and 8 of March 2020. Besides the different offerings by the stalls, buskers were also performing sweet melodies to the crowd and approximately 600 people attended the bazaar.

One-Two-Star featured 14 gifted children performing their favourite songs from the movies.

The contestants of One-Two-Star during the prize giving ceremony

Corporate Social Responsibility (CSR)

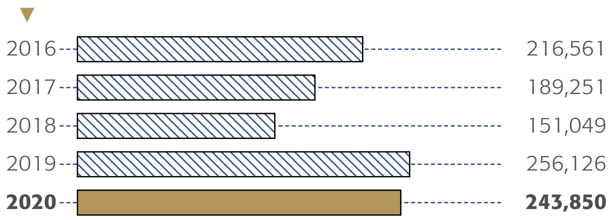
SDB in collaboration with Milestone Production, hosted the One-Two-Star Talent Show on 3 November 2019 at Hotel Maya Kuala Lumpur where various children with special needs performed songs inspired from the movies. The talent show was an effort to further build confidence levels of these children while showcasing their unique musical abilities that the world at large rarely gets to see. Prior to the event, a workshop was held for all participants at Hotel Maya with coaches Dominic Lau and Joshua Gui providing constructive feedback and encouragement. Besides the CSR events that the Group has undertaken, we continue to maintain the earlier CSR initiatives to train people with disabilities (PWD) under the One-Two-Juice and One-Two-Wash platform. The Group is committed in its efforts to assist PWD with the added internship programmes to further facilitate those with disabilities to establish a career path and gain work experience either as a permanent or contract staff.

GROUP FINANCIAL HIGHLIGHTS

GROUP YEAR ENDED 31 MARCH	'20 RM'000	'19 RM'000	'18 RM'000 Restated	'17 RM'000 Restated	'16 RM'000
Profitability					
Turnover	**243,850**	256,126	151,049	189,251	216,561
Profit before taxation	**6,581**	35,715	52,894	48,351	46,867
Provision for taxation	**(11,057)**	(11,299)	(11,049)	(6,591)	(3,779)
(Loss) / Profit after taxation	**(4,476)**	24,416	41,845	41,760	43,088
Minority interest	**-**	-	-	-	-
(Loss) / Earnings for the year	**(4,476)**	24,416	41,845	41,760	43,088
Profit available for appropriation	**500,609**	513,663	499,900	549,672	518,565
Dividend net of tax	**8,523**	10,653	91,617	10,653	12,784
Key Balance Sheet Data					
Total assets	**1,404,478**	1,447,403	1,474,693	1,655,385	1,531,057
Issued share capital	**213,541**	213,541	213,541	213,541	213,064
Shareholders' fund	**836,458**	849,018	830,330	860,730	813,776
Total bank borrowings	**427,093**	412,959	432,443	629,422	563,761
No of ordinary shares in issue ('000)	**426,128**	426,128	426,128	426,128	426,128
Share Informance					
Return on equity	**-0.54%**	2.88%	5.04%	4.85%	5.29%
Return on total assets	**-0.32%**	1.69%	2.84%	2.52%	2.81%
Gearing ratio	**31.50%**	30.54%	25.97%	35.37%	33.28%
Interest cover	**1.34**	2.92	3.85	3.17	3.07
(Loss) / Earnings after tax (sen)	**(1.05)**	5.73	9.82	9.80	10.11
Dividend after tax (sen) *	**-**	2.00	2.50	2.50	2.50
Net asset backing (sen)	**196.29**	199.24	194.85	201.99	190.97
Price earning ratio (x)	**(39.99)**	11.52	8.50	9.69	9.25
Gross dividend yield	**0.00%**	3.03%	25.75%	2.63%	3.21%
Share price as at 31 March (RM)	**0.42**	0.66	0.84	0.95	0.94

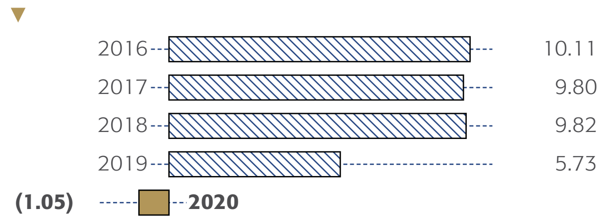
TURNOVER

(RM'000)



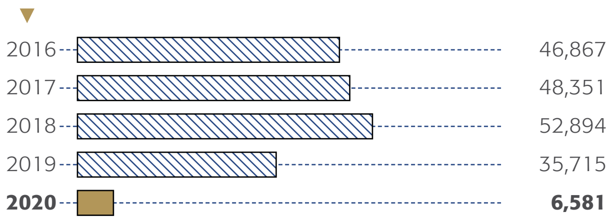
(LOSS) / EARNINGS AFTER TAX

(SEN)



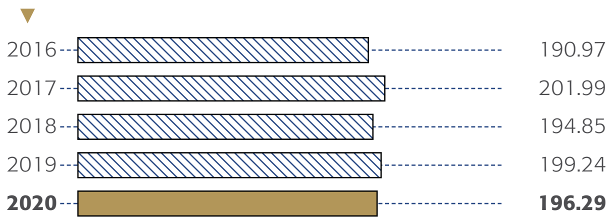
PROFIT BEFORE TAXATION

(RM'000)



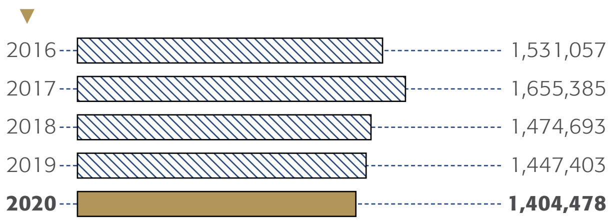
NET ASSETS BACKING

(SEN)



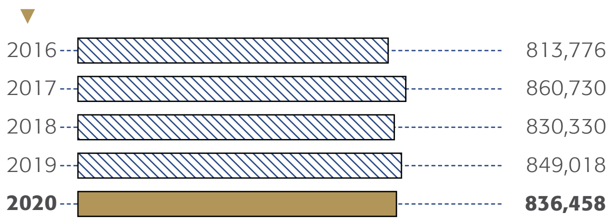
TOTAL ASSETS

(RM'000)



SHAREHOLDERS' FUND

(RM'000)



OVERVIEW STATEMENT ON CORPORATE GOVERNANCE

OVERVIEW STATEMENT ON CORPORATE GOVERNANCE

The Board is supportive of the adoption of principles and best practices as enshrined in the Malaysian Code on Corporate Governance ("Code") throughout the Group, for the protection and enhancement of stakeholders' value and the performance of the Group.

The Board is pleased to disclose below the manners in which it has applied the principles of good corporate governance and considered that it had complied with the best practices provisions except as stated otherwise.

(A) BOARD LEADERSHIP AND EFFECTIVENESS

Composition of the Board

The Board currently consists of five (5) Directors: -

Chairman

Mr Eddy Chieng Ing Huong
(Non-Independent Non-Executive)

Managing Director

Ms Teh Lip Kim
(Non-Independent Executive)

Directors

Dato' Christopher Chan Choun Sien
(Independent Non-Executive)

Ms Teh Lip Pink
(Non-Independent Non-Executive)

Puan Selma Enolil binti Mustapha Khalil
(Independent Non-Executive)

The present size and composition of the Board is optimum and well balanced. As presently constituted, the Board has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

Profile of the Board members is as set out on pages 12 to 16 of this Annual Report.

Principal Responsibility of the Board

The Board is entrusted with the stewardship role of the Group. It is responsible for providing oversight of the Group's strategic direction, overseeing the Group's business operations, as well as identifying key risk factors that have significant impact on the Group's operations and performance. In achieving these goals, the Board performs regular reviews over the risk management and internal control system to ensure its integrity and adequacy in providing reasonable assurance of risk mitigation.

The principal responsibilities of the Board are generally summarised as follows:

- review and adopt the overall strategic plans and programmes for the Company and Group;
- establish such committees, policies and procedures to effectively discharge the Board's roles and responsibilities;
- ensure the Company has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate responsibility;
- promote better investor relations and shareholder communications;
- review the adequacy and the integrity of the management information and internal controls systems of the Company and Group; and
- identify principal risks and ensure implementation of a proper risk management system to manage such risks.

Board Independence and Effectiveness

The Board is entrusted for the oversight and overall management of the business affairs of the Company. The Board is responsible for determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, for assessing the performance of the Company and its management team.

The Board has established clear functions reserved for the Board and those delegated to the management. The Board deliberates business plan and approves the performance targets and the goals of the business to be met by the Company and subsidiary companies.

Managing Director is responsible for the day-to-day business operations of the Group while the Independent Non-Executive Directors provide scrutiny and unbiased and independent views, advice and judgement to decisions and proposals of the Managing Director. The Board collectively is responsible for the effective implementation and monitoring of the Group's strategic plans.

The Independant Non-Executive Directors are not involved in the day-to-day management of the Group's business operations. Therefore, the Independent Non-Executive Directors remain free from conflict of interest and thus enable them to carry out their duties as independent directors effectively. They provide impartial views and insight to the Managing Director in matters relating to financial management, corporate governance, risk management and internal control. Strategies proposed by the Managing Director are deliberated from both quantitative and qualitative aspects, taking into account the interest of various stakeholders as well as the impact of risk factors that exist in the operating environment. Presence of the Independent Directors complements the Board by ensuring there is an effective check and balance in the functioning of the Board. These Independent Directors fulfil the criteria of independence as set out in the Listing Requirements.

The position of Chairman and the Managing Director are held by different individuals. There is a division of responsibility between the Chairman who is leading the Board in the oversight of management and Managing Director, who responsible for managing the overall business and day to day operations of the Company to ensure that there is a balance of power and authority, promotion of accountability and facilitation of division of responsibilities between them.

The key duties and responsibilities of the Chairman are to provide leadership to the Board, instill good corporate governance practices, chairing the meetings of the Board and shareholders, ensuring that the Board fully discharges its responsibilities and acting as liaison person between the Board and the management.

Board Charter and Code of Conduct

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Boards, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review and updated in accordance with the needs of the Company to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions as recommended by the Code including those reserved for the Board's approval and those which the Board may delegate to the Board Committees, the Executive Director and the Management. There is a clear division of responsibilities between the Chairman and the Executive Director.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct and Ethics provide guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during their appointment.

The Board Charter and Code of Conduct are made available for reference in the Company's website, www.sdb.com.my.

Qualified and Competent Company Secretaries

The Board is well supported by qualified and competent Company Secretaries on matters relating to the Company's policies and procedures that require compliance to applicable rules, regulations and the Code.

The Company Secretaries of the Company are experienced, play an important role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

The Company Secretaries also safeguard all statutory books and records of the Company and maintain the statutory registers of the Company. Company Secretaries also ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded.

Board Meeting and Supply of Information to the Board

The Board meets regularly, at least once in every quarter, to review the Group's operations and to approve the quarterly reports and annual financial statements. During the financial year, the Board met on four (4) occasions where it deliberated upon and considered a variety of matters mainly to review the Group's operations and the quarterly and annual financial statements.

The details of the attendance by individual Director during the financial year are as follows:-

Name of Directors	Total Meetings Attended
Mr Eddy Chieng Ing Huong	4/4
Ms Teh Lip Kim	4/4
Ms Teh Lip Pink	4/4
Puan Selma Enolil binti Mustapha Khalil	4/4
Dato' Christopher Chan Choun Sien (appointed w.e.f. 13.07.2020)	-
Mr Tony Lee Cheow Fui (resigned w.e.f. 13.7.2020)	4/4

The Board has a formal schedule of matters reserved specifically for its decision. The Directors have full and timely access to all information pertaining to the Group's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

All Directors are provided with agenda and set of Board papers issued prior to Board meetings to allow reasonable time for the Board members to obtain further explanations or clarification, where necessary and to make an informed decision. Senior management is invited to attend these meetings to explain and clarify matters being tabled. The Board has direct access to senior management staff to obtain complete and unimpeded information to assist them in discharging their duties. The proceedings of all board meetings are recorded by the Company Secretary and filed properly in the minute's book of the Company upon confirmation by the Board.

In addition, all Directors have access to the advice and services of the Company Secretary who is a qualified professional with the required experience to advise the Board. When necessary, Directors may also obtain independent professional advice at the Company's expense in furtherance of their duties.

Directors' Training

The Board recognises the needs to attend training to enable them to discharge their duties effectively. The training needs of each Director is assessed and proposed by the individual directors.

The Board is also regularly updated by the Company Secretary on the latest updates and major amendments made to the Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

During the financial year and as at the date of the issuance of this Annual Report, the Directors have attended briefing pertaining to Anti-Bribery and Anti-Corruption Policies for SDB Group., conducted by Mr Kuok Yew Chen, the Representative of Christopher & Lee Ong on 29 June 2020.

Board Committees

The Board has set up five (5) Board Committees, i.e. Investment, Audit, Nominating, Remuneration Committees and Risk Management Committee to delegate specific powers and responsibilities to support the role of the Board to provide assurance and accountability to its shareholders, all of which have their own terms of reference.

The Committees have been granted with full authority to investigate any matter within their scope of responsibility and to obtain satisfactory information as it may requires from directors and/or employees of the Group. In the event where independent professional advice are needed to discharge their duties, the Committees are entitled to engage external professionals and/or consultants at the cost of the Group after due consultation with the Board.

The Investment Committee was established on 23 August 2001 with the responsibilities of approving Group acquisition and disposals of investment up to RM15 million and manage risk of the Group in order to maximise return to the shareholders.

Nominating Committee

The Nominating Committee was established to ensure that the Board has an appropriate balance, size and the required mix of skills, experience and core competencies to govern the organization towards achieving its intended goals and objectives. The Nominating Committee shall propose new candidates for the Board and assess Directors on an on-going basis.

The Terms of Reference of the Nominating Committee can be viewed at the Company's website at www.sdb.com.my.

The summary functions of the Nominating Committee are as follows:

- To recommend candidates for all directorships.
- To recommend appointments to the Board Committees.
- To annually review the required mix of skills and experience and other qualities, including core competencies that the Non-Executive Directors should bring to the Board.
- To implement a process, to be carried out annually for assessing the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director.

The Nominating Committee will review and assess the mix of skills expertise, composition, size and experience of the Board directors. The Nominating Committee undertakes annual assessment to evaluate the performance of each individual Director, the effectiveness of the Board and the Board Committees. The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

During the financial year, the Nominating Committee has reviewed the necessity for the Company to re-organise the composition of Board of Directors to ensure that the calibre, credibility and necessary skills and experience required were always in place to have an effective Board and enable the Board to be better equipped to respond to challenges that might arise and deliver value to the Company. Dato' Christopher Chan Choun Sien has been appointed as Independent Non-Executive Director of the Company, while Mr Tony Lee Cheow Fui had resigned as Independent Director.

Board Nomination Process

The Nominating Committee is responsible to identify candidate to the Board if there is vacancy arise from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap in the Board identified by the Committee. The potential candidate may be proposed by existing director, senior management staff, shareholder or third party referrals.

Upon receiving of the proposal, the Committee is responsible to conduct assessment and evaluation on the proposed candidate.

The Board does not set specific criteria for the assessment and selection of director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as Companies Act, 2016 and Main Market Listing Requirements. The Committee selection of the director candidate is generally based on the achievement in the candidate personal career, integrity, wisdom, ability to make independent and analytical inquiries, ability to work as a team to support the Board, possession of the required skill, qualification and expertise that would add further value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

The assessment/evaluation process may include, at the Committee's discretion, reviewing of the candidate resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the Committee's discretion.

Upon completion of the assessment and evaluation of the proposed candidate, the Committee would make its recommendation to the Board. Based on the recommendation of the Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a director. With the acceptance of the offer/invitation, the candidate would be appointed as director of the Company.

Annual Assessment of Existing Directors and Board Committees

An assessment of the Board's performance is carried out for the year under review, including the Independent Directors' performance and role of chairman.

The assessment criteria include of Board structure, operation and interaction, dynamics and functioning, governance and risk management.

The Board is satisfied with the existing number and composition of its members and is of the view that with the current mix of skills, knowledge, experience and strengths, the Board is able to discharge its duties and responsibilities effectively.

Assessment of Independent Directors

The Company does not have term limits for Independent Directors as the Board believes there are significant advantages to be gained from the long-serving Directors who possess tremendous insight and in-depth knowledge of the Company's business and affairs.

The existing independent directors are independent from management and free from any business or other relationships which may interfere with the exercise of their independent judgement, which is in line with the requirements of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Re-election

In accordance with the Company's Constitution, all Directors shall retire from office at least once in each three (3) years and a retiring Director is eligible for re-election and the election of each Director is voted on separately. This re-election process provides an opportunity for the shareholders to renew their mandates. In order to assist the shareholders in their decision, sufficient information such as personal profiles, meeting attendance and their shareholdings in the Company for each Director is furnished in the Annual Report.

The Constitution further provides that all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment.

Gender Diversity Policy

The Company does not have a formal ethnic and age diversity policy. In its selection of board members, the Board provides equal opportunity to candidates who have the relevant skills, experience, competencies and other qualities vis-à-vis the Group present business portfolios and prospective investments, without bias on race, age or gender.

Activities of the Nominating Committee

The summary of the activities of the Nominating Committee during the financial year are as follows:-

- Reviewed the mix of skill and experience and other qualities of the Board.
- Accessed the effectiveness of the Board as a whole, the Board committees and the Directors.
- Discussed the Company's Directors' retirement by rotation.

Remuneration Committee

The Remuneration Committee was established on 23 August 2001 and is entrusted with the role of reviewing and recommending the annual bonus and salary increment of the Executive Directors and members of the Senior Management of the Company. Executive Directors' remuneration is decided by the Board with the Directors concerned abstaining from deliberations and voting accordingly.

Remuneration Policy

The remuneration of the Executive Director shall be reviewed by the Remuneration Committee and for their recommendation to the Board for approval.

Executive Director shall also be entitled to other benefits provided to employee of the Company and other additional benefits if so proposed by the Remuneration Committee for their consideration and recommendation to the Board for approval.

Non-Executive Directors' remuneration is based on a standard fixed fee and meeting allowance, with the Chairman receiving higher amount in recognition of his additional responsibilities. An additional fee is also paid to Non-Executive Directors sitting on Board Committees.

Fees payable to the Directors of the Company are subject to yearly approval by shareholders at the Annual General Meeting. The aggregate Director's remuneration paid or payable to the Directors of the Company for the financial year ended 31 March 2020 is as follows:

Received on Company Basis

	Directors' Fee RM	Meeting Allowances RM	Salaries & Other Emoluments RM	Benefit- in- Kind RM
Eddy Chieng Ing Huong	70,400	2,000	-	-
Teh Lip Kim	32,000	2,000	716,112	-
Teh Lip Pink	32,000	2,000	-	-
Tony Lee Cheow Fui	44,800	2,000	-	-
Selma Enolil Bt Mustapha Khalil	38,400	2,000	-	-

Received on Group Basis

	Directors' Fee RM	Meeting Allowances RM	Salaries & Other Emoluments RM	Benefit- in- Kind RM
Eddy Chieng Ing Huong	74,440	2,000	-	-
Teh Lip Kim	72,432	2,000	1,432,224	-
Teh Lip Pink	36,000	2,000	-	-
Tony Lee Cheow Fui	44,800	2,000	-	-
Selma Enolil Bt Mustapha Khalil	38,400	2,000	-	-

The remuneration of the top five (5) key senior management of the Company for the financial year ended 31 March 2020 as follows:-

Key Senior Management Remuneration	Number
RM700,000-750,000	1
RM350,000-400,000	1
RM300,000-350,000	2
RM250,000-300,000	1

Further details on the other Board Committees are contained in the Audit Committee Report and the Statement on Risk Management and Internal Control.

Financial Reporting

The Board has a general responsibility for taking the necessary steps to safeguard and enhance the value of shareholders in the Company. The Company, through the accounts, maintains an appropriate and transparent relationship with the external auditors.

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance through the quarterly and annual financial statements to shareholders. The Board and the Audit Committee have to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 and applicable approved accounting standards in Malaysia.

In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgements and estimates.

In discharging its responsibilities, the Board is assisted by the Audit Committee to ensure accuracy and adequacy of information to be disclosed.

Succession Planning

The Board reckoned the importance of succession planning to ensure the sustainability and continuity of the Group. The Board ensuring that all candidates appointed to senior management positions are of sufficient caliber. Succession planning also includes appointing, assessing, training, fixing the compensation of and where appropriate, replacing senior management when necessary.

Whistleblowing Policy and Procedure

A Whistleblowing Policy and Procedure has been implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship with the Company with an avenue to report suspected wrongdoings that may adversely impact the Group.

The Whistleblowing Policy and Procedure is published on the Company's website.

Anti-Bribery and Anti-Corruption Policy

An Anti-Bribery and Anti-Corruption Policy was established to set out the Group's approach against all forms of bribery, corruption and politicking and the Group takes a strong stance against such acts.

The Group's practices are in accordance to the Malaysian Anti-Corruption Commission Act 2009 and its amendments. The Anti-bribery and Corruption Policy is published on the Company's website.

(B) EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit

The role, functions, responsibilities and activities of the Audit Committee are reported under the Audit Committee Report on pages 57 to 58 of this Annual Report.

Relationship with External Auditors and Assessment of their Suitability & Independence

The Company has established a formal and transparent arrangement for maintaining appropriate relationships with the Group's auditors, both external and internal. The Audit Committee seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors. Liaison and unrestricted communication exist between the Audit Committee and the external auditors.

In addition, the external auditors will be invited to attend the Company's Annual General Meeting and will be available to answer any questions from the shareholders on the conduct of the statutory audit and the contents of the audited financial statements as well as any corporate exercise undertaken by the Group where the external auditors are involved.

The Audit Committee had obtained confirmation from the external auditors, BDO PLT that they are independent in accordance with the Bylaws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

An annual assessment which taking into consideration of several criterial like Fees, Service quality, Sufficiency of resources, Independence and professionalism, will be conducted on the suitability of the External Auditors.

Risk Management and Internal Control

The Board recognises the importance of a sound system of internal control for the Group including risk assessment and acknowledges its ultimate responsibilities in maintaining the same. In recognition of the importance of having in place a structured and organised approach to identify and manage appropriately risk factors affecting the Company, a risk management and internal control framework has been established to set out principles of the Company's risk identification and management culture, which provide input of its internal control system.

Another check-and-balance measure in the Company's internal control system is through the conduct of internal audit. The internal audit function is outsourced to an independent professional internal audit services firm which reports directly to the Audit Committee.

Some internal control weaknesses were identified during the financial year under review, all of which have been or are being addressed by the Management. None of these weaknesses has resulted in any material loss that would require disclosure in the Group's financial statement. The Group's state of risk management and internal control is spelt out in the Statement on Risk Management and Internal Control on pages 50 to 54 of this Annual Report 2020.

The cost incurred for the internal audit function for the financial year ended 31 March 2020 is RM65,720.

(C) CORPORATE REPORTING AND RELATION WITH SHAREHOLDERS AND INVESTORS

Communication with Shareholders

Communication between the Company and its shareholders are done in the following manner:-

Relationship with Shareholders and Investors

The Board recognises the value of good investor relation and the importance of disseminating information in a fair and equitable manner, the participation of shareholders and investors, both individual and institutional, at Annual General Meeting is encouraged. Such information is disseminated via the Company's annual reports, quarterly financial results and various prescribed announcements made to Bursa Securities from time to time in the Bursa Securities' website at www.bursamalaysia.com.

The Group also maintains a website at www.sdb.com.my which provides information, qualitative and quantitative, on the Group's operations and corporate developments.

General Meeting

The Annual General Meeting represents the principal forum for dialogue and interaction with all the shareholders of the Company. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations.

During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Announcement will also be made on the detailed results showing the number of votes cast for and against each resolution tabled at the AGM.

The Company is moving forward to conduct a fully virtual Annual General Meeting this year. In the event that shareholders are unable to virtually attend the AGM in person, they are encouraged to appoint one (1) or up to two (2) proxies to virtually attend and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Company conducts poll voting on each resolution tabled during the general meetings to support shareholder participation. With the electronic poll voting, each shareholder present in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. At least one (1) scrutineer is appointed to validate the votes cast at the meeting.

(D) COMPLIANCE WITH THE CODE

This Statement is prepared in compliance with the Listing Requirements and it is to be read together with the Corporate Governance Report 2020 of the Company, which is available on the Company's website - www.sdb.com.my.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors **("Board")** of Selangor Dredging Berhad **("SDB" or "the Group")** is pleased to present the Statement on Risk Management and Internal Control of the Group which outlines the nature and scope of risk management and the internal control systems of the Group for the financial year ended 31 March 2020. This statement is prepared in accordance with paragraph 15.26(b) of the Bursa Malaysia Securities Berhad **("Bursa Malaysia")** Main Market Listing Requirements **("MMLR")** and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers **("the Guidelines")** and Practice 9.1 for Principle B of the Malaysian Code on Corporate Governance **("MCCG")** 2017.

BOARD RESPONSIBILITY

The Board reaffirms its overall responsibility for the Group's risk management and internal control systems covering not only financial controls but also strategic, operational and compliance to regulatory requirement. This also includes ensuring the adequacy and effectiveness of such systems to safeguard shareholders' investments and the Group's assets through regular reviews. The implementation of these control systems is undertaken by the management which regularly reports on key risks identified and actions taken to mitigate and/or minimise such risks. The oversight of these critical areas is carried out by the Board and assisted with the establishment of the Risk Management Committee ("RMC") at Senior Management level, which are empowered by their respective terms of reference since 2016. And on 26 August 2019, the RMC was renamed to Risk Management and Sustainability Committee ("RMSC") and tabled for review to the Board, and approved for adoption by Board to also encompass the sustainability criteria. The RMSC is chaired by the Managing Director and its other members comprises of the Group General Manager, the Head of Finance and the Risk Management Manager ("RM").

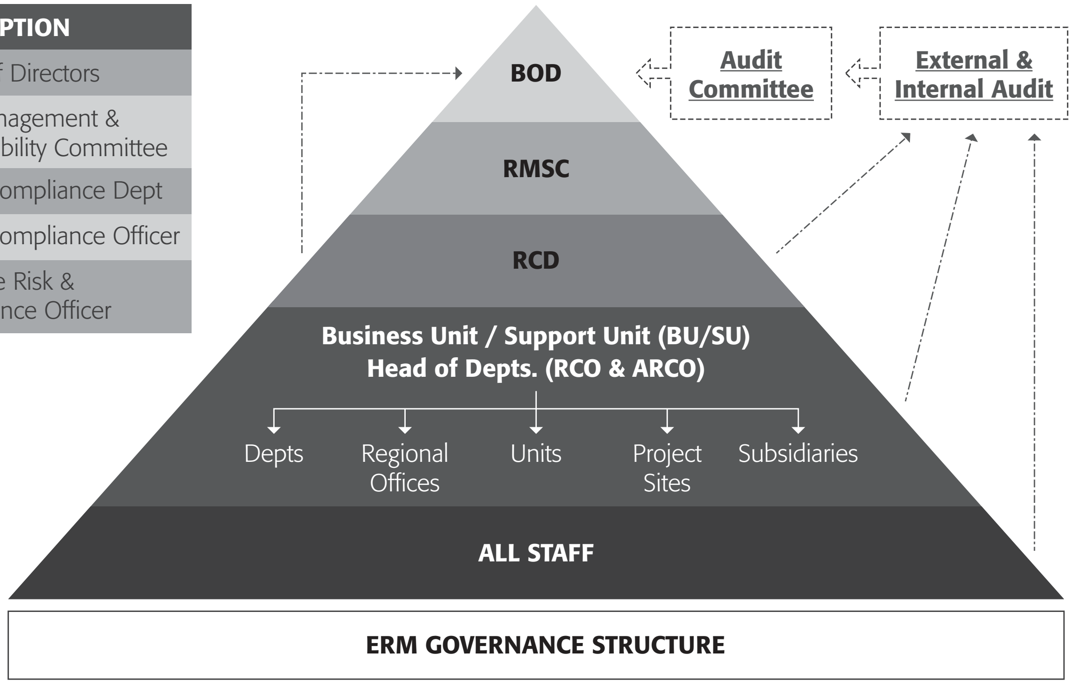
The Group's risk management and internal control systems are designed to efficiently and effectively manage risks that may prevent the achievement of the Group's business objectives, and to provide information for accurate reporting, decision making and ensuring compliance with regulatory and statutory requirements. The Board also ensures that there is a robust framework of ongoing risk management processes in identifying, evaluating and managing significant risks faced by SDB to promote a sustainable long-term success of the Group. Due to inherent limitations in the systems of internal control and risk management, the Board recognises that these systems can only manage rather than eliminate all risks of failure to achieve business objectives, and as such, can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. Furthermore, consideration is given to the cost of implementation as compared to the expected benefits to be derived from the implementation of the internal control system.

ENTERPRISE RISK MANAGEMENT ("ERM")

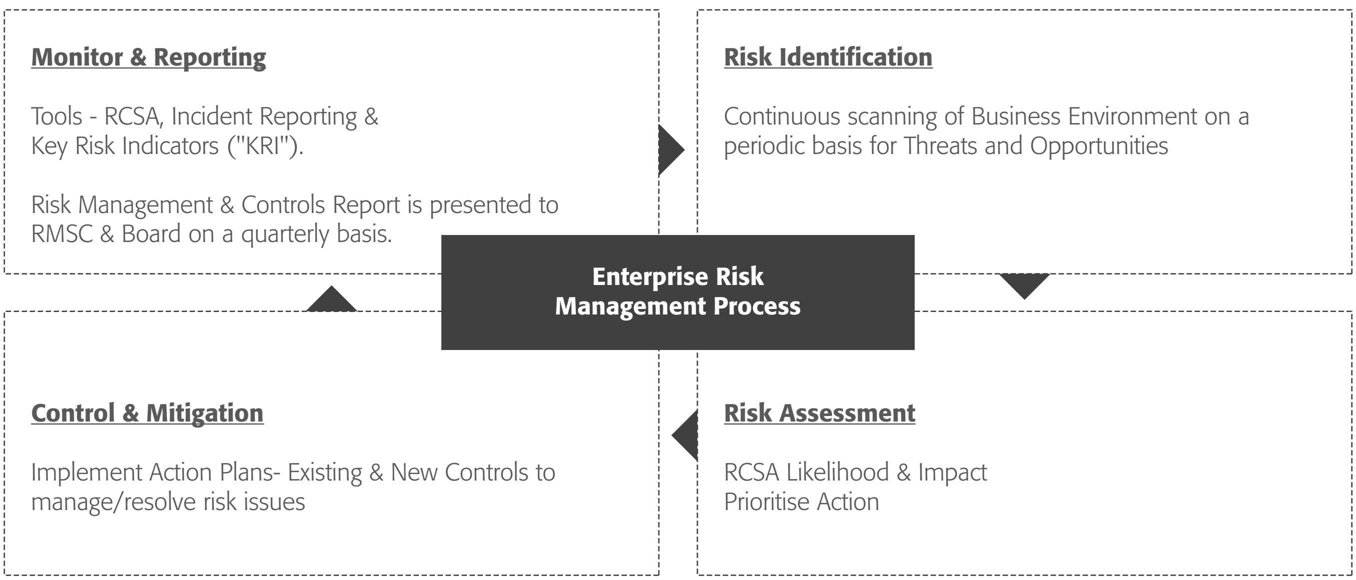
The Group has established an ERM Framework to proactively identify, evaluate, mitigate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, this ERM Framework aims to provide an integrated and organised approach group-wide. It outlines the ERM methodology which is in line with the Principles and Guidelines of ISO31000:2009 Risk Management, mainly promoting the risk ownership and continuous monitoring of key risks faced by the Group that were identified via the Risk and Control Self-Assessment ("RCSA") process. The ERM assessment reviews are carried out on a quarterly basis to address major risk factors of concern together with the necessary action plan, if any from the perspectives of regulatory & legal, governance & operational controls, financial, customers, products & services, suppliers, project management, information technology, branding and human capital. And all these factors will ultimately be evaluated based on the objective of achieving sustainability in conducting business.

The Group's ERM Governance Structure as shown below:

ABBR	DESCRIPTION
BOD	Board of Directors
RMSC	Risk Management & Sustainability Committee
RCD	Risk & Compliance Dept
RCO	Risk & Compliance Officer
ARCO	Alternate Risk & Compliance Officer



The Group's ERM process as shown below:



The Group' identified Risk Factors & Mitigation Plans for the financial year under review are outlined as follows:

No.	Risk Factor	Risk Description	Mitigation Plan
1.	External	Market Risk due to Uncertainty in Local and Global Economy, and coupled with the outbreak of the Covid-19 pandemic	1. Increasing the number of panel of financiers. 2. Focus centric selling to targeted customers. 3. Repackaging the product according to targeted customer segment.
2.	Operational	Project Management Risk in achieving SDB's Planning & Design requirement (Concept, Approval, Timing & Costing)	1. Project team to manage project as per group's guideline and requirement. 2. Project team to manage contractors and consultants on a timely basis. 3. Contractors and consultants are annually evaluated on a certain set of key performance criteria. 4. Activation of the Business Continuity Plan ("BCP") during the MCO.
3.	Regulatory	Risk of Non-Compliance to Regulatory Requirement and Government Policies, e.g. Movement Control Order ("MCO")	1. Management is monitoring closely the development and changes in the local and Singapore market in planning future developments to maintain a sustainable business objective. 2. To provide suggestion and feedback to Real Estate and Housing Developers' Association ("REDHA"). 3. Establishing an internal Standard Operating Procedure ("SOP") for Post-MCO for staff to adhere to when returning back to work.
4.	Customers	Risk of Lower Revenue due to Slow Sales Response	1. Increasing a wider network of credible sales agencies to better position the product in the market. 2. Providing sales training to marketing staff to enhance their knowledge and professionalism. 3. Producing more publications in the social medias in creating public awareness on SDB's products & services.
5.	Financial	Risk of Uncontrollable Expenditure	1. Budget is prepared on an annual basis 2. Close monitoring by management on a monthly basis on actual expenditure against budgeted expenditure. 3. Implementing various cost saving measures and prudent spending across the Group.

Risk Management Activities

As part of the Group's effort to instil a proactive risk management culture and ownership, the following activities were undertaken during the year under review:

- Conducted mandatory ERM awareness training for new hiring during induction training, in building up and maintaining a strong risk culture in SDB;
- Ensuring effective application of ERM in the day-to-day business operations;
- Regular discussions with Heads of Business Units to obtain endorsement on key risk areas and commitments on action plans.;
- Providing risk advisory and independent assessment as and when necessary, as well as facilitated discussions across the Group;
- Refinement of the risk depository system to enhance risk tracking and monitoring.;
- Conducted random compliance checking on departments on a frequent basis;
- Monitoring and follow-up until completion on all individual department's identified issues with the agreed action plans and timelines.

Risk Management Activities (continued)

During the financial year, the Board was updated on a quarterly basis on the latest status of the corporate risk scorecard for which management of each department have identified their risks, the probability of those risks occurring, the impact if they do occur and the action plans being taken to manage those risks to the desired level, through the RCSA process with verification from Risk & Compliance Department ("RCD") after reviewing it. And all departments are required to report to RCD on any occurrence of incident, with some of these departments have additional reporting on a certain number of identified relevant KRI on a set timeline to RCD. After which all these reports will be consolidated by the RM into a report known as the Risk Management & Controls Report, and presented to RMSC and the Board for deliberation and guidance on it.

KEY ELEMENTS OF INTERNAL CONTROL AT SDB:

- **Terms of Reference**
  Clear definition of the terms of reference, i.e. functions, authorities and responsibilities of the various committees of Senior Management and the Board have been established.

- **Organisational Structure and Accountability Levels**
  The Group has a well-defined organisational structure with clear reporting lines of responsibility. Delegation of authority and key business functions of the Group are centralised, to ensure accountability and quick impartment of risk management strategies. Including the setting up of the RMSC and appointing all Head of Departments as a Risk and Compliance Officer ("RCO") in their respective departments' in ensuring accountability. In addition, the Head of Departments are also required to appoint an Alternate Risk & Compliance Officer ("ARCO") within their respective departments to assist them with managing risk and implementing control activities.

- **Limits of Authority ("LOA")**
  The LOA has been established as part of SDB's effort in ensuring an optimal balance between strong corporate governance practices and operational efficiency. It is a written delegation of authority by the Board to the Investment Committee and Management within the SDB Group. Its key objectives are to provide a holistic view of the authority limits set, to encourage delegation, empowerment and accountability, and to eliminate guesswork, confusion hence providing clarity. The LOA document is subject to periodical review to incorporate any changes that affect the authority limits.

- **Management Styles and Control Procedures**
  Weekly operational meetings are conducted among senior management to discuss and review the business plans, budgets, financial and operational performances of the Group.

  Operating policies and procedures are made available to guide staff in their day-to-day work processes. Such operating policies and SOPs have been established, as well as reviewed and updated periodically to meet changing business, operational needs and regulatory requirements.

  Establishment of dual control and clear line on segregation of duties via independent checks, review and reconciliation activities to prevent unauthorized activities, power abuse, fraud, corruption, bribery and human errors.

  Quality control and progress of the project is monitored via frequent schedule site visits by the relevant teams, regular site meetings with the contractors and deployment of fulltime staff on site. And a monthly project site report is presented to management for review. Moreover, external certification/standards such as the Building Quality Assessment System ("BuildQAS") standards are adopted to strengthen and improve the output processes and quality.

- **Human Resource Policy**
  There are proper guidelines within the Group for recruitment and selection, compensation and benefits, performance management, code of conduct, and other relevant procedures in line with its brand promise and core values. Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their job expectations and to multi task when necessary, which is a step-in succession planning. The Whistleblowing Policy and Procedure has been revised in line with the established Anti-Bribery and Anti-Corruption Policy in compliance to the Malaysian Anti-Corruption Commission Act 2009 and its amendments.

KEY ELEMENTS OF INTERNAL CONTROL AT SDB: (continued)

- **Business Continuity Management**
  Business Continuity Plan and Disaster Recovery Plan are in place with daily backup and system vendors support to provide assurance for business continuity. There are also offline procedures to implement in case of system failure and annual testing is conducted at least twice without fail.

- **Internal Audit**
  On a quarterly manner, an independent internal audit function provides assurance to the Audit Committee through the execution of internal audit checks based on an approved risk-based internal audit plan. Findings arising from these checks are presented, together with management's response and proposed action plans, to the Audit Committee for its review. Further details of the activities of the internal audit function are provided in the Audit Committee's Report.

- **Tender**
  Review and award of major contracts are carried out through a rigorous tendering process by a Tender Committee. A minimum of three tenderers are called for and tenders are awarded based on selection criteria including quality, pricing, track record and speed of delivery. The tenders are reviewed by a Tender Committee, which comprises a few key selected members of the senior management to ensure transparency and independence in the award of contracts.

- **Insurance on Key Assets**
  Adequate insurance of the major assets and resources of the Group are in place to ensure that these are sufficiently covered against any mishap that may result in material losses to the Group.

- **Safety and Security**
  Management has always placed importance in complying to the Occupational Safety and Health Act, 1994 to ensure that all the employees are aware of the safety procedures that are in place for their own safety during any emergencies and that the Group's assets and resources are well protected from any accident or mishap.

It also important to note that the Internal Audit independently reviews the ERM framework and internal control systems to provide to the Audit Committee with sufficient assurance that the systems of internal control are effective to address the risks identified.

The Board is satisfied with the Group's system of risk management and the internal controls, and is of the view that the system which is in place for the year under review is sound and adequate to safeguard shareholders' investments, customers' interests, employee's well-being and the Group's assets. The Board is conscious of the fact that the system of risk management and internal control practices must continuously be evolve and enhance to support the Group's operations and adapt to suit changing business environment. Therefore, the Board with the assistance of RMSC, will when necessary, put in place appropriate measures to further strengthen the system of internal control.

The Group's system of internal control applies principally to SDB and its subsidiaries. Joint ventures and associates have been excluded because the Group does not have full management and control over them.

Assurance Provided by Group Managing Director and Group Finance Manager

In line with the Guidelines, the **Group Managing Director and Group Finance Manager** have provided assurance to the Board that the Group's risk management and internal control system are in place and operating reliably in all material aspects to meet the Group's objectives during the financial year under review.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Audit and Assurance Practical Guide 3, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report for the FYE 2020 has not been prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement on Risk Management and Internal Control factually inaccurate.

STATEMENT ON DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements for each financial year 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 the results and cash flows of the Group and of the Company for that period.

In preparation of the financial statements, the Board has ensured that:

1. Suitable accounting policies have been adopted and applied consistently.

2. Judgements and statements made are reasonable and prudent.

3. Suitable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Board confirms that the financial statements have been prepared on a going concern basis.

The Board is responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia. The Board has overall responsibilities for taking steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

OTHER CORPORATE DISCLOSURE

1. Utilisation of Proceeds

No proceeds were raised by the Company for any corporate exercise during the financial year.

2. Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies.

3. Audit and Non-Audit Fees

During the financial year under review, the fees paid/payable to the external auditors in relation to audit and non-audit services rendered to the Group are as follows:-

Purpose	**Group RM**	**Company RM**
Audit Fees	204,004	44,000
Review of Statement on Risk Management and Internal Control	3,000	-
Total	207,004	44,000

4. Material Contracts

During the financial year, there was no material contract entered into by the Company or its subsidiary involving interest of Directors and major shareholders of the Company that have not been reflected in the financial statement.

5. Revaluation Policy on Properties

The revaluation policy on properties is as disclosed in the financial statements for the financial year ended 31 March 2020.

6. Recurrent Related Party Transaction of a Revenue or Trading Nature

During the financial year, the Company and its subsidiaries had not entered into any recurrent related party transactions, which are of revenue or trading nature, which requires shareholders' mandate.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its functions for the Group during the financial year ended 31 March 2020.

(A) COMPOSITION

The Audit Committee comprises three (3) members, all of whom are Non-Executive Directors, and two (2) being Independent Directors.

Mr Eddy Chieng Ing Huong, the member of the Audit Committee is a member of Institute of Chartered Accountants, Australia and also The Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c)(i) of the Listing Requirements.

(B) MEETING AND ATTENDANCE

The Audit Committee met on four (4) occasions during the financial year and the attendance of each member of the Audit Committee is as follows:

	Composition of the Audit Committee	**Attendance at the Audit Committee Meetings**
Chairman	Dato' Christopher Chan Choun Sien (appointed w.e.f. 13.7.2020)	-
	Mr Tony Lee Cheow Fui (resigned w.e.f. 13.7.2020)	4/4
Members	Mr Eddy Chieng Ing Huong	4/4
	Puan Selma Enolil Binti Mustapha Khalil	4/4

The Managing Director and Group General Manager were invited to attend all the meetings to provide clarification on Group's financial performance and business operations.

The representative from the Internal Auditors attended all the meetings to table the internal audit reports, internal audit progress reports and annual audit plan. The External Auditors, BDO PLT, were present at two of the total meetings held.

Minutes of each Committee Meeting were tabled to the Board for information, and for further direction by the Board, where necessary.

(C) SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year, the following activities were carried out by the Audit Committee in discharging its duties and functions:

(a) Financial Reporting

- Reviewed the quarterly and audited financial reports of the Company and the Group, focusing particularly on the following areas, prior to submission to the Board for approval and subsequent release to the Bursa Malaysia Securities Berhad accordingly:-
  - The overall performance of the Group;
  - Compliance with accounting standards and regulatory requirements;
  - Changes in or implementation of accounting policies and practices;
  - Significant issues arising from the audit; and
  - Going concern assumption.

(b) Audit Reports

- Reviewed the internal audit plans for the financial year for the Company and Group as prepared by the Internal Auditors.
- Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations for the Company and Group as prepared by the Internal Auditors.

(c) External Audit

- Reviewed the external auditors' scope of work and audit plan for the financial year, prior to the commencement of audit.
- Met with the external auditors twice a year.
- Reviewed the suitability and performance of the external auditors for re-appointment and fees, based on the outcome of the annual assessment of the external auditors, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within timeline agreed.

(d) Risk Management and Internal Control

Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.

(e) Related Party Transactions

Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with Bursa Securities Main Market Listing Requirements ("Listing Requirements").

(D) INTERNAL AUDIT FUNCTION

In discharging its function, the Audit Committee is supported by an internal audit function whose primary responsibility is to evaluate and report on the adequacy and effectiveness of the overall system of internal control of the Group. The internal audit function of the Group has been outsourced to NGL Tricor Governance Sdn Bhd since February 2018.

The activities of the Internal Auditors during the financial year ended 31 March 2020 were as follows:

- Conducted discussions with management in identifying significant concerns and risk areas perceived by management for inclusion in the Internal Audit Plan for the Group;
- Developed and proposed an Internal Audit Plan for the year which was discussed and accepted by the Audit Committee and Board;
- Conducted periodic audits on internal controls relating to operating system and standard operating procedures to monitor compliance and assess the adequacy and effectiveness of controls implemented by various companies within the Group;
- Attended and reported to the Audit Committee at all Audit Committee meetings held during the financial year ended 31 March 2020; and
- Highlighted areas of concern to the Audit Committee and ensuring that recommendations provided by the Internal Auditors are duly attended to and adhered by management within stipulated time frame. In the Internal Audit Progress Reports, the Internal Auditors had reported their findings in their subsequent follow-up reviews to the Audit Committee.

(E) TERMS OF REFERENCE

The details of terms of reference of the Audit Committee are available on the Company's website at www.sdb.com.my.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of management services, investment holding and property leasing. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(4,476)	6,771
(Loss)/Profit attributable to:		
- equity holders of the Company	(4,476)	6,771

DIVIDENDS

A single tier dividend of 2.0 sen per ordinary share amounting to RM8,522,553 in respect of the financial year ended 31 March 2019, proposed in the previous financial year and dealt with in the previous year's Directors' Report was paid by the Company during the current financial year.

The Directors do not recommend any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Selangor Dredging Berhad

Eddy Chieng Ing Huong
Teh Lip Kim
Teh Lip Pink
Tony Lee Cheow Fui
Selma Enolil Binti Mustapha Khalil

Subsidiaries of Selangor Dredging Berhad

Teh Lip Kim
Loong Ching Hong
Eddy Chieng Ing Huong
Teh Lip Pink

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept pursuant to Section 59 of the Companies Act 2016 in Malaysia, the following Directors have interests in ordinary shares in the Company and its related corporations as follows:

	Number of ordinary shares			
Shares in the Company	**Balance as at 1.4.2019**	**Bought**	**Sold**	**Balance as at 31.3.2020**
Teh Lip Kim				
- direct	87,228,596	200,000	-	87,428,596
- indirect	170,638,756	-	-	170,638,756
Teh Lip Pink				
- direct	425,000	-	-	425,000
- indirect	65,929,978	-	-	65,929,978

By virtue of Teh Lip Kim's substantial interests in the shares of the Company, she is deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or became entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in 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 the following:

(a) benefits which may be deemed to have arisen by virtue of those contracts and transactions entered into in the ordinary course of business by the Company and its subsidiaries with Directors or with companies in which the Directors are deemed to have substantial financial interests; and

(b) certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

The details of the above transactions are disclosed in Note 35 to the financial statements.

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

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 30 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had 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 other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount 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 material extent;

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

(c) The Directors are not aware of any circumstances: (continued)

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

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

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 42 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 March 2020 are disclosed in Note 29 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 6 July 2020.

Selma Enolil Binti Mustapha Khalil
Director

Teh Lip Kim
Director

Kuala Lumpur
6 July 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SELANGOR DREDGING BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Selangor Dredging Berhad, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, the statements of profit or loss, statements of 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 69 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. 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.

Group level

a) Property development revenue recognition

Revenue from property development during the financial year as disclosed in Note 26 to the financial statements is RM226.2 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers as well as the costs in applying the input method to recognise revenue over time. The determination of stage of completion requires management to exercise significant judgement in estimating the total costs to complete.

In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and costs contingencies.

Key Audit Matters (continued)

Group level (continued)

a) Property development revenue recognition (continued)

Audit response

Our audit procedures included the following:

(i) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs;

(ii) Assessed the estimated total costs to complete through inquiries with operational and financial personnel of the Group;

(iii) Inspected documentation to support cost estimates made including contract variations and cost contingencies; and

(iv) Compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls.

b) Recoverability of trade receivables

As at 31 March 2020, the Group had trade receivables amounted to RM43.4 million, which was net of impairment loss of RM10.7 million, as disclosed in Note 13 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Audit response

Our audit procedures included the following:

(i) Recomputed the probability of default using historical data and forward looking information adjustment applied by the Group;

(ii) Recomputed the correlation coefficient between the macroeconomic indicators set by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and

(iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Company level

a) Recoverability of amounts owing by subsidiaries

As at 31 March 2020, the amounts owing by subsidiaries were RM407.6 million as disclosed in Note 15 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by subsidiaries, appropriate forward-looking information and significant increase in credit risk.

Key Audit Matters (continued)

Company level (continued)

a) Recoverability of amounts owing by subsidiaries (continued)

Audit response

Our audit procedures included the following:

(i) Recomputed probability of default using historical data and forward-looking information adjustment applied by the Company;

(ii) Assessed the appropriateness of the indicators of significant increase in credit risk applied by the management and the resultant basis for classification of exposure into respective stages; and

(iii) Evaluated management's basis for determining recoverable cash flows, where applicable.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) 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.

(b) 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 internal control of the Group and of the Company.

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

(d) Conclude on the appropriateness of the Directors' use of 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.

(e) 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.

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matters

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

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Lum Chiew Mun
03039/04/2021 J
Chartered Accountant

Kuala Lumpur
6 July 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	256,293	230,218	4,234	3,177
Inventories	5	383,299	326,314	-	-
Investment properties	6	6,119	10,075	2,350	2,350
Investments in subsidiaries	7	-	-	214,718	214,718
Investments in associates	8	98,445	92,539	-	-
Investments in joint ventures	9	167,637	150,643	-	-
Intangible assets	10	553	561	-	-
Amounts owing by subsidiaries	15	-	-	10,822	5,707
Amount owing by an associate	16	2,199	1,881	-	-
Deferred tax assets	11	8,054	13,599	-	-
		922,599	825,830	232,124	225,952
Current assets					
Inventories	5	301,728	376,046	-	-
Contract assets	12	58,823	107,832	-	-
Trade receivables	13	43,382	60,376	-	-
Other receivables, deposits and prepayments	14	14,677	16,546	230	396
Amounts owing by subsidiaries	15	-	-	396,766	407,049
Amount owing by an associate	16	5,721	11,842	-	-
Amounts owing by joint ventures	17	6,468	1,265	126	57
Current tax assets		8,641	8,061	-	-
Short term investments	18	-	157	-	-
Deposits	19	3,811	25,283	390	390
Cash and bank balances	20	38,628	14,165	2,618	1,300
		481,879	621,573	400,130	409,192
TOTAL ASSETS		1,404,478	1,447,403	632,254	635,144

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	213,541	213,541	213,541	213,541
Revaluation reserve (non-distributable)		87,597	87,597	2,219	2,219
Exchange translation reserve (non-distributable)		26,850	26,356	-	-
Other reserve (distributable)	22	7,861	7,861	7,861	7,861
Retained earnings		500,609	513,663	334,293	336,057
TOTAL EQUITY		836,458	849,018	557,914	559,678
LIABILITIES					
Non-current liabilities					
Bank borrowings	23	133,070	133,637	13,750	16,250
Lease liabilities	4	3,566	-	898	-
Deferred tax liabilities	11	2,488	957	133	889
		139,124	134,594	14,781	17,139
Current liabilities					
Trade payables	24	101,491	71,353	-	-
Other payables and accruals	25	19,813	22,203	698	914
Contract liabilities	12	12,162	84,223	-	-
Amounts owing to subsidiaries	15	-	-	5,946	4,104
Amounts owing to joint ventures	17	-	2,970	-	-
Bank borrowings	23	294,023	279,322	52,500	52,500
Lease liabilities	4	1,407	-	310	-
Current tax liabilities		-	3,720	105	809
		428,896	463,791	59,559	58,327
TOTAL LIABILITIES		568,020	598,385	74,340	75,466
TOTAL EQUITY AND LIABILITIES		1,404,478	1,447,403	632,254	635,144

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

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	26	243,850	256,126	93	51,333
Cost of sales	27	(156,298)	(171,017)	(222)	(305)
Gross profit/(loss)		87,552	85,109	(129)	51,028
Other income		12,718	20,625	23,298	26,527
Selling and distribution expenses		(18,513)	(9,915)	-	-
Administrative and general expenses		(36,660)	(40,433)	(9,370)	(9,300)
Other expenses		(26,788)	(7,238)	-	-
Share of profit of joint ventures and associates, net of tax		7,664	6,168	-	-
Finance costs	28	(19,392)	(18,601)	(3,999)	(8,229)
Profit before tax	29	6,581	35,715	9,800	60,026
Tax expense	31	(11,057)	(11,299)	(3,029)	(2,798)
(Loss)/Profit for the financial year		(4,476)	24,416	6,771	57,228
(Loss)/Profit for the financial year attributable to:					
- equity holders of the Company		(4,476)	24,416		
Basic (loss)/earnings per share (sen)	32	(1.05)	5.73		
Diluted (loss)/earnings per share (sen)	32	(1.05)	5.73		
Dividend per share (sen)					
Single tier dividend payable/paid in respect of the financial year ended 31 March					
- 2020	33			-	-
- 2019	33			-	2.0

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(Loss)/Profit for the financial year	(4,476)	24,416	6,771	57,228
Other comprehensive income/(loss), net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operation	1,223	4,925	-	-
Share of other comprehensive loss of an associate	(729)	-	-	-
Total comprehensive (loss)/income for the financial year	(3,982)	29,341	6,771	57,228

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

			← Non-distributable	→	← Distributable	→	
Group 2020	**Note**	**Share capital RM'000**	**Revaluation reserve RM'000**	**Exchange translation reserve RM'000**	**Other reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 April 2019, as previously reported		213,541	87,597	26,356	7,861	513,663	849,018
Effects of adoption of MFRS 16	2.1	-	-	-	-	(55)	(55)
Balance as at 1 April 2019, as restated		213,541	87,597	26,356	7,861	513,608	848,963
Loss for the financial year		-	-	-	-	(4,476)	(4,476)
Other comprehensive income for the financial year, net of tax		-	-	494	-	-	494
Total comprehensive income/(loss) for the financial year		-	-	494	-	(4,476)	(3,982)
Transaction with owners							
Dividends paid	33	-	-	-	-	(8,523)	(8,523)
Balance as at 31 March 2020		213,541	87,597	26,850	7,861	500,609	836,458

			← Non-distributable	→	← Distributable	→	
Group 2019	**Note**	**Share capital RM'000**	**Revaluation reserve RM'000**	**Exchange translation reserve RM'000**	**Other reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 April 2018, as previously reported		213,541	87,597	21,431	7,861	557,254	887,684
Effects of adoption of MFRSs		-	-	-	-	(57,354)	(57,354)
Balance as at 1 April 2019, as restated		213,541	87,597	21,431	7,861	499,900	830,330
Profit for the financial year		-	-	-	-	24,416	24,416
Other comprehensive income for the financial year, net of tax		-	-	4,925	-	-	4,925
Total comprehensive income for the financial year		-	-	4,925	-	24,416	29,341
Transaction with owners							
Dividends paid	33	-	-	-	-	(10,653)	(10,653)
Balance as at 31 March 2019		213,541	87,597	26,356	7,861	513,663	849,018

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Company 2020	Note	Share capital RM'000	Non-distributable Revaluation reserve RM'000	Distributable Other reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 April 2019, as previously reported		213,541	2,219	7,861	336,057	559,678
Effects of adoption of MFRS 16	2.1	-	-	-	(12)	(12)
Balance as at 1 April 2019, as restated		213,541	2,219	7,861	336,045	559,666
Profit for the financial year		-	-	-	6,771	6,771
Other comprehensive income for the financial year, net of tax		-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	6,771	6,771
Transaction with owners						
Dividends paid	33	-	-	-	(8,523)	(8,523)
Balance as at 31 March 2020		213,541	2,219	7,861	334,293	557,914

Company 2019	Note	Share capital RM'000	Non-distributable Revaluation reserve RM'000	Distributable Other reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 April 2018, as previously reported		213,541	2,219	7,861	291,425	515,046
Effects of adoption of MFRSs		-	-	-	(1,943)	(1,943)
Balance as at 1 April 2019, as restated		213,541	2,219	7,861	289,482	513,103
Profit for the financial year		-	-	-	57,228	57,228
Other comprehensive income for the financial year, net of tax		-	-	-	-	-
Total comprehensive income for the financial year		-	-	-	57,228	57,228
Transaction with owners						
Dividends paid	33	-	-	-	(10,653)	(10,653)
Balance as at 31 March 2019		213,541	2,219	7,861	336,057	559,678

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		6,581	35,715	9,800	60,026
Adjustments for:					
Amortisation of intangible assets	10	9	8	-	-
Dividend income		-	-	-	(51,250)
Bad debts written off		175	-	-	-
Depreciation of property, plant and equipment	3	6,558	4,358	511	378
Fair value adjustments of investment properties	6	187	(90)	-	-
Finance costs	28	19,392	18,601	3,999	8,229
Gain on disposal of property, plant and equipment		(148)	(18)	(13)	(1)
Gain on dilution of interest in investment in an associate	8(c)	-	(11,448)	-	-
Impairment losses on land held for development	5(a)(i)	14,594	-	-	-
Impairment losses on:					
- amounts owing by subsidiaries	40(c)	-	-	1,074	377
- amounts owing by joint ventures	40(c)	3	-	-	-
- trade receivables	40(c)	4,324	4,956	-	-
- other receivables	40(c)	-	782	-	-
- contract assets	40(c)	-	208	-	-
Interest income		(378)	(1,366)	(20,473)	(22,508)
Property, plant and equipment written-off		-	30	-	12
Reversal of impairment losses on:					
- other receivables	40(c)	(37)	-	-	(6)
- contract assets	40(c)	(373)	-	-	-
- amounts owing by subsidiaries	40(c)	-	-	-	(516)
- amounts owing by associates	40(c)	(7)	(26)	-	-
- amounts owing by joint ventures	40(c)	-	(1)	-	-
Share of profit of associates	8	(8,337)	(7,076)	-	-
Share of loss of joint ventures	9	673	908	-	-
Unrealised loss on foreign exchange	29	141	998	-	-
Operating profit/(loss) before working capital changes		43,357	46,539	(5,102)	(5,259)
Changes in inventories		(15,740)	8,162	-	-
Changes in receivables		14,893	(12,615)	165	901
Changes in payables		27,623	(21,495)	(218)	(1,618)
Changes in contract assets		(23,176)	(37,695)	-	-
Cash generated from/(used in) operations		46,957	(17,104)	(5,155)	(5,976)
Dividend received from an associate		1,702	-	-	-
Tax paid		(13,362)	(11,923)	(4,489)	(1,226)
Tax refunded		5,081	688	-	-
Net cash from/(used in) operating activities		40,378	(28,339)	(9,644)	(7,202)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions in investment properties	6	(147)	(65)	-	-
Acquisition of an associate		-	(10,000)	-	-
Additional investment in an associate		-	(15,091)	-	-
Additional investment in a joint venture		(16,731)	-	-	-
Placement of deposits with licensed bank		(1,603)	-	-	-
Purchase of property, plant and equipment *	3	(3,141)	(10,020)	(76)	(20)
Purchase of land held for development	5(a)(i)	(633)	(1,358)	-	-
Proceeds from disposal of property, plant and equipment		148	263	13	1
Repayments from/(Advances to) subsidiaries		-	-	5,542	(38,194)
(Advances to)/Repayments from joint ventures		(8,174)	1,228	(68)	(3)
Repayments from associates		5,811	7,341	-	-
Interest received		378	1,366	20,473	14,084
Withdrawal of deposit pledged to licensed bank		1,722	38	-	-
Withdrawal of bank balance pledged to licensed bank		195	-	-	-
Net cash (used in)/from investing activities		(22,175)	(26,298)	25,884	(24,132)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of bank borrowings		121,478	-	-	-
Net repayments of bank borrowings		(107,344)	(19,484)	(2,500)	(2,500)
Dividends paid to shareholders	33	(8,523)	(10,653)	(8,523)	(10,653)
Interest paid		(19,121)	(18,601)	(3,539)	(3,723)
Net repayments of lease liabilities		(1,735)	-	(360)	-
Net cash used in financing activities		(15,245)	(48,738)	(14,922)	(16,876)
Net increase/(decrease) in cash and cash equivalents		2,958	(103,375)	1,318	(48,210)
Cash and cash equivalents at beginning of financial year		37,298	138,874	1,300	49,510
Effect of exchange rate changes		190	1,799	-	-
Cash and cash equivalents at end of financial year		40,446	37,298	2,618	1,300

* *Purchase of property, plant and equipment are excluding addition of right-of-use asset.*

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Represented by:					
Short term investments	18	-	157	-	-
Deposits	19	3,811	25,283	390	390
Cash and bank balances	20	38,628	14,165	2,618	1,300
		42,439	39,605	3,008	1,690
Less: Amount pledged as security for bank guarantee facility					
- deposits	19	(390)	(2,112)	(390)	(390)
- bank balances		-	(195)	-	-
Deposits more than 3 months		(1,603)	-	-	-
		40,446	37,298	2,618	1,300

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities (Note 4)		Bank borrowings (Note 23)	
	Group RM'000	**Company RM'000**	**Group RM'000**	**Company RM'000**
At 1 April 2018	-	-	432,443	71,250
Cash flows	-	-	(19,484)	(2,500)
At 31 March 2019/1 April 2019	-	-	412,959	68,750
Effects of adoption of MFRS 16 (Note 2.1)	6,420	1,504	-	-
At 31 March 2019/1 April 2019, restated	6,420	1,504	412,959	68,750
Cash flows	(1,735)	(360)	14,134	(2,500)
Non-cash flows:				
- Additions	16	-	-	-
- Unwinding of interest	272	64	-	-
At 31 March 2020	4,973	1,208	427,093	66,250

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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 provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRS during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 2.1 to the financial statements.

The Group and the Company applied MFRS 16 *Leases* and IC Interpretation 23 *Uncertainty over Income Tax Treatments* for the first time during the current financial year, using the cumulative effect method as at 1 April 2019. Consequently, the comparative information were not restated and are not comparable to the financial information of the current financial year.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company made up to the end of the financial year.

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

(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the investor loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

Changes of interests in subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interest holders. Any gain or loss arising from equity transactions is recognised directly in equity.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation (continued)

Loss of control

When the Group loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between (i) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRSs. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(c) Accounting for business combinations

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer.

The Group accounts for acquisition related costs as expenses in the periods in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) in a business combination achieved in stages, the fair value of the Group’s previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

A business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

(d) Investments in subsidiaries

In the Company’s separate financial statements, investments in subsidiaries are measured at cost less impairment losses, if any. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary disposed of is recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Equity accounting of associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to zero and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(f) Equity accounting of joint ventures

Joint ventures are entities with contractually agreed sharing of control between the parties, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control, and the parties have rights to the net assets of the arrangement.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in joint ventures are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint ventures.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Equity accounting of joint ventures (continued)

The Group's share of net profit or loss and changes recognised directly in the other comprehensive income of the joint ventures are recognised in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively.

An investment in a joint venture is accounted for using the equity method from the date on which the Group obtains joint control until the date the Group ceases to have a joint control over the joint venture.

Goodwill relating to a joint venture is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Unrealised gains or losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures.

Equity accounting is discontinued when the carrying amount of the investment in a joint venture diminishes by virtue of losses to zero, unless the Group has legal or constructive obligations or made payments on behalf of the joint venture.

The results and reserves of joint ventures are accounted for in the consolidated financial statements based on financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When the Group ceases to have joint control over a joint venture, any retained interest in the former joint venture is recognised at fair value on the date when joint control is lost. Any gain or loss arising from the loss of joint control over a joint venture is recognised in profit or loss.

In the Company's separate financial statements, investments in joint ventures are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the joint ventures disposed of is recognised in profit or loss.

(g) Financial instruments

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Company commit to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Financial assets

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for payment of principal and interest ("SPPI").

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify its debt instruments under amortised cost category. In the previous financial year, short term investments were recognised as fair value through profit or loss.

(i) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

(ii) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss in the period which it arises.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

Financial liabilities

A financial liability is any liability with contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The Group's and the Company's significant financial liabilities include trade and other payables, term loans and short-term borrowings which are initially measured at fair value and subsequently measured at amortised cost.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when financial liabilities are either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(ii) Amortised cost

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

Financial liabilities (continued)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Equity

Dividends from equity investments are recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVOCI are recognised in the statement of comprehensive income as applicable.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act 2016 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

(h) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment (excluded right-of-use assets) are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

(i) Measurement basis (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as profit or loss when incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

The Group revalues its freehold hotel property and freehold land and building once in every two (2) to five (5) years to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. The valuation is carried out by independent firm of professional valuers using the open market basis. Surplus arising from revaluation is dealt with through the asset revaluation reserve account, net of deferred tax, if any. Any deficit arising is set-off against the asset revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

(ii) Depreciation

Freehold land is not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Freehold hotel property and other buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Renovation, furniture, fittings and equipment	10% - 50%

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(i) Leases

(i) The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

(i) The Group as lessee (continued)

In assessing whether a lessee is reasonably certain to excercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumtances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

Subsequent to the initial recognition, right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	2 - 6 years
Office equipment	2 - 5 years

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) The Group as lessor

The Group classified its leases as either operating leases or finance leases. Leases where the Group retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating 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.

If the Group transfers substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

Previous financial year

<u>As a lessee</u>

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

(i) Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases (continued)

Previous financial year (continued)

As a lessee (continued)

(i) Finance lease (continued)

Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

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

(ii) Operating lease

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rentals are credited or charged to profit or loss on a straight line basis over the period of the lease.

Leasehold land which in substance is an operating lease is classified as prepaid lease payment.

(j) Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are measured initially at cost, including transaction costs. 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.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each reporting period. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise.

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

(k) Intangible assets

Intangible asset is franchise license which is measured at cost less any accumulated amortisation and accumulated impairment losses, if any. Franchise license is amortised on a straight-line basis over a period of twenty four (24) years. In the event that the expected future economic benefits are no longer probable of being recovered, the license agreement is written down to its recoverable amount.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of materials being the cost of purchase, is determined either on the first-in-first-out basis or the weighted average basis in respect of consumables. Net realisable value is the estimate of selling price in the ordinary course of business, less cost to completion and selling expenses.

Cost of inventories of completed houses is determined based on specific identification method.

<u>Land held for property development</u>

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at the lower of cost and net realisable value. Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is reclassified as property development costs and included under current assets when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

<u>Property development costs</u>

Property development costs are determined based on a specific identification basis. Property development costs comprising costs of land, direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

(m) Share capital

Ordinary shares are recorded at proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividends to shareholders are recognised in equity in the period in which they are declared and paid.

(n) Revenue and other income recognition

(i) The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

(ii) Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as a reduction of rental income over the lease term on a straight line basis.

(iii) Revenue from services rendered in respect of sale of hotel rooms, food and beverages and other ancillary services is recognised at point in time in profit or loss as and when services are rendered.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Revenue and other income recognition (continued)

(iv) Revenue from contract works are recognised over the period of the contracts by reference to the progress towards complete satisfaction of that performance obligations. Progress is determined on the proportion of construction contract costs incurred for work performed to date against total estimated construction contract costs where the outcome of the project can be estimated reliably.

(v) Dividend income is recognised when the right to receive payment is established.

(vi) Interest income is recognised on a time proportion basis using the effective interest rate applicable. If the collectibility of the interest income is in doubt, the recognition of interest income is deferred until prospect of collection becomes certain.

(vii) Management fees are recognised at point over time when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

(o) Foreign currencies

(i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the end of each reporting period are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the end of each reporting period.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Foreign currencies (continued)

(iii) Translation of foreign operations (continued)

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in profit or loss as part of the gain or loss on disposal.

(p) Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, intangible assets, investments in subsidiaries, associates and joint ventures are assessed at the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(q) Impairment of financial assets

The Group applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables and contract assets. Loss rates are determined based on grouping of receivables sharing the same credit risk characteristics and past due days. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets.

Management assesses the ECL for portfolios of trade receivables based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the countries.

For other receivables and intercompany balances, the Group and the Company apply 3-stage approach to measure expected credit losses which reflect their credit risk and how the loss allowance is determined. The Group and the Company assessed the intercompany receivables as performing category with a low risk of default and a strong capacity to meet contractual cash flows. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

A significant increase in credit risk is presumed if a debtor is more than 60 days past due in making a contractual payment.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Contract assets and liabilities

Contract asset is the right to consideration in exchange for goods and services that the Group has transferred to a customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment based on the ECL model.

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

(s) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expenses in the period in which the associated services are rendered by employees other than those that are attributable to property development activities in which case such expenses are capitalised in the property development costs.

(ii) Post-employment benefits

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies are limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to profit or loss in the period to which they relate.

Some of the Company's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes which are recognised as an expense in profit or loss as incurred.

(t) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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

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

(u) Taxation

The income tax expense in profit or loss represents the aggregate amount of current tax and deferred tax.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Taxation (continued)

Current tax is the expected income tax payable or receivable on the taxable income or loss for the year, estimated using the tax rates enacted or substantively enacted by the end of the reporting period.

On the statement of financial position, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

(i) goodwill, or

(ii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted or substantively enacted by the end of the reporting period that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a different period, directly to other comprehensive income.

(v) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits and bank balances pledged to secure banking facilities.

(w) Segment reporting

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the group that engage in business activities from which they may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision-maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by chief operating decision maker. Segment total asset is used to measure the return on assets of each segment.

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and intangible assets other than goodwill.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Provisions

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

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

(y) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

(z) (Loss)/Earnings per share

(a) Basic

Basic (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted (loss)/earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

(aa) Fair value measurement

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Fair value measurement (continued)

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

2. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

2.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective Date**
MFRS 16 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 16 as described in the following sections.

MFRS 16 *Leases*

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 O*perating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

2. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

2.1 New MFRSs adopted during the financial year (continued)

MFRS 16 *Leases* (continued)

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

The Group and the Company applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 April 2019. The range of incremental borrowing rates of the Group and the Company applied to the lease liabilities on 1 April 2019 were between from 4.50% to 4.95%.

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property and equipment lease data such that the respective inputs could be uploaded into management's model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.

For leases previously classified as finance leases, the Group and the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group and the Company has used the following practical expedients permitted by the standard:

(a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 April 2019;

(c) Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 and do not contain a purchase option as short-term leases;

(d) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

(e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On transition to MFRS 16, the Group and the Company recognised right-of-use assets and lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Group	Note	As at 31 March 2019 RM'000	Impact RM'000	As at 1 April 2019 RM'000
Right-of-use assets	(a)	-	6,365	6,365
Lease liabilities	(b)	-	6,420	6,420
Retained earnings		513,663	(55)	513,608

2. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

2.1 New MFRSs adopted during the financial year (continued)

MFRS 16 *Leases* (continued)

Company	Note	As at 31 March 2019 RM'000	Impact RM'000	As at 1 April 2019 RM'000
Right-of-use assets	(a)	-	1,492	1,492
Lease liabilities	(b)	-	1,504	1,504
Retained earnings		336,057	(12)	336,045

(a) For leases previously classified as operating leases, the Group measured the right-of-use asset, on a lease-by-lease basis, at its carrying amount as if the MFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

(b) Lease liabilities are measured as follows:

	Group RM'000	Company RM'000
Operating lease commitments at 31 March 2019 as disclosed under MFRS 117	1,741	617
Weighted average incremental borrowing rate as at 1 April 2019	4.73%	4.70%
Discounted operating lease commitments as at 1 April 2019	1,663	590
Recognition exemption for leases with less than 12 months of lease term at transition	(126)	-
Extension options reasonably certain to be exercised	1,041	-
Contracts reassessed as lease contracts	3,842	914
Lease liabilities recognised at 1 April 2019	6,420	1,504

2.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2020

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 P*roperty, 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 MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company does not expect the adoption of the above Standards to have a significant impact on the financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2020	Freehold hotel property (Owned) RM'000	Freehold land and buildings (Owned) RM'000	Buildings (Right-of-use assets) RM'000	Plant and machinery (Owned) RM'000	Motor vehicles (Owned) RM'000	Renovation, furniture, fittings and equipment (Owned) RM'000	Office equipment (Right-of-use assets) RM'000	Total RM'000
At 1 April 2019								
- *cost*	-	-	-	42	3,063	43,782	-	46,887
- *valuation*	186,000	33,382	-	-	-	-	-	219,382
	186,000	33,382	-	42	3,063	43,782	-	266,269
Effects of adoption of MFRS 16 (Note 2.1)	-	-	6,238	-	-	-	127	6,365
Additions - *cost*	-	-	-	-	439	2,702	16	3,157
Transfer from investment properties (Note 6)	-	3,916	-	-	-	-	-	3,916
Transfer from inventories (Note 5)	-	19,112	-	-	-	-	-	19,112
Disposal	-	-	-	-	(452)	(26)	-	(478)
Reversal	-	-	(74)	-	-	-	(4)	(78)
Foreign exchange adjustments	-	81	-	-	-	5	-	86
At 31 March 2020								
- *cost*	-	-	6,164	42	3,050	46,463	139	55,858
- *valuation*	186,000	56,491	-	-	-	-	-	242,491
	186,000	56,491	6,164	42	3,050	46,463	139	298,349
Accumulated depreciation								
At 1 April 2019								
- *cost*	-	-	-	42	2,103	31,616	-	33,761
- *valuation*	1,878	412	-	-	-	-	-	2,290
	1,878	412	-	42	2,103	31,616	-	36,051
Charge for the year								
- *cost*	-	-	1,502	-	406	2,234	35	4,177
- *valuation*	1,878	503	-	-	-	-	-	2,381
Disposal	-	-	-	-	(452)	(26)	-	(478)
Reversal	-	-	(74)	-	-	-	(4)	(78)
Foreign exchange adjustments	-	-	-	-	-	3	-	3
At 31 March 2020								
- *cost*	-	-	1,428	42	2,057	33,827	31	37,385
- *valuation*	3,756	915	-	-	-	-	-	4,671
	3,756	915	1,428	42	2,057	33,827	31	42,056

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2020	Freehold hotel property (Owned) RM'000	Freehold land and buildings (Owned) RM'000	Buildings (Right-of-use assets) RM'000	Plant and machinery (Owned) RM'000	Motor vehicles (Owned) RM'000	Renovation, furniture, fittings and equipment (Owned) RM'000	Office equipment (Right-of-use assets) RM'000	Total RM'000
Carrying value								
At 31 March 2020								
- *cost*	-	-	4,736	-	993	12,636	108	18,473
- *valuation*	182,244	55,576	-	-	-	-	-	237,820
	182,244	55,576	4,736	-	993	12,636	108	256,293
The carrying value of revalued assets stated under the historical cost convention								
At 31 March 2020	43,974	7,166	-	-	-	-	-	51,140

Group 2019	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
At 1 April 2018						
- *cost*	-	-	42	2,816	34,636	37,494
- *valuation*	186,000	32,916	-	-	-	218,916
	186,000	32,916	42	2,816	34,636	256,410
Additions - *cost*	-	-	-	823	9,197	10,020
Disposal	-	-	-	(571)	-	(571)
Written off	-	-	-	(5)	(79)	(84)
Foreign exchange adjustments	-	466	-	-	28	494
At 31 March 2019						
- *cost*	-	-	42	3,063	43,782	46,887
- *valuation*	186,000	33,382	-	-	-	219,382
	186,000	33,382	42	3,063	43,782	266,269

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2019	Freehold hotel property RM'000	Freehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Renovation, furniture, fittings and equipment RM'000	Total RM'000
Accumulated depreciation						
At 1 April 2018						
- *cost*	-	-	42	1,971	29,766	31,779
- *valuation*	-	273	-	-	-	273
	-	273	42	1,971	29,766	32,052
Charge for the year						
- *cost*	-	-	-	463	1,880	2,343
- *valuation*	1,878	137	-	-	-	2,015
Disposal	-	-	-	(326)	-	(326)
Written off	-	-	-	(5)	(49)	(54)
Foreign exchange adjustments	-	2	-	-	19	21
At 31 March 2019						
- *cost*	-	-	42	2,103	31,616	33,761
- *valuation*	1,878	412	-	-	-	2,290
	1,878	412	42	2,103	31,616	36,051
Carrying value						
At 31 March 2019						
- *cost*	-	-	-	960	12,166	13,126
- *valuation*	184,122	32,970	-	-	-	217,092
	184,122	32,970	-	960	12,166	230,218
The carrying value of revalued assets stated under the historical cost convention						
At 31 March 2019	45,033	7,220	-	-	-	52,253

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2020	**Freehold land and buildings (Owned) RM'000**	**Buildings (Right-of-use assets) RM'000**	**Motor vehicles (Owned) RM'000**	**Renovation, furniture, fittings and equipment (Owned) RM'000**	**Office equipment (Right-of-use assets) RM'000**	**Total RM'000**
At 1 April 2019						
- *cost*	-	-	1,148	4,458	-	5,606
- *valuation*	2,720	-	-	-	-	2,720
	2,720	-	1,148	4,458	-	8,326
Effects of adoption of MFRS 16 (Note 2.1)	-	1,467	-	-	25	1,492
Additions - *cost*	-	-	-	76	-	76
Disposal - *cost*	-	-	(350)	(27)	-	(377)
At 31 March 2020						
- *cost*	-	1,467	798	4,507	25	6,797
- *valuation*	2,720	-	-	-	-	2,720
	2,720	1,467	798	4,507	25	9,517
Accumulated depreciation						
At 1 April 2019						
- *cost*	-	-	1,131	3,976	-	5,107
- *valuation*	42	-	-	-	-	42
	42	-	1,131	3,976	-	5,149
Charge for the year						
- *cost*	-	309	14	168	6	497
- *valuation*	14	-	-	-	-	14
Disposal	-	-	(350)	(27)	-	(377)
Written off	-	-	-	-	-	-
At 31 March 2020						
- *cost*	-	309	795	4,117	6	5,227
- *valuation*	56	-	-	-	-	56
	56	309	795	4,117	6	5,283
Carrying value						
At 31 March 2020						
- *cost*	-	1,158	3	390	19	1,570
- *valuation*	2,664	-	-	-	-	2,664
	2,664	1,158	3	390	19	4,234
The carrying value of revalued asset stated under the historical cost convention At 31 March 2020	2,032	-	-	-	-	2,032

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2019	**Freehold land and buildings RM'000**	**Motor vehicles RM'000**	**Renovation, furniture, fittings and equipment RM'000**	**Total RM'000**
At 1 April 2018				
- *cost*	-	1,148	4,502	5,650
- *valuation*	2,720	-	-	2,720
	2,720	1,148	4,502	8,370
Additions - *cost*	-	6	14	20
Disposal - *cost*	-	(6)	-	(6)
Written off - *cost*	-	-	(58)	(58)
At 31 March 2019				
- *cost*	-	1,148	4,458	5,606
- *valuation*	2,720	-	-	2,720
	2,720	1,148	4,458	8,326
Accumulated depreciation				
At 1 April 2018				
- *cost*	-	978	3,817	4,795
- *valuation*	28	-	-	28
	28	978	3,817	4,823
Charge for the year				
- *cost*	-	159	205	364
- *valuation*	14	-	-	14
Disposal	-	(6)	-	(6)
Written off	-	-	(46)	(46)
At 31 March 2019				
- *cost*	-	1,131	3,976	5,107
- *valuation*	42	-	-	42
	42	1,131	3,976	5,149
Carrying value				
At 31 March 2019				
- *cost*	-	17	482	499
- *valuation*	2,678	-	-	2,678
	2,678	17	482	3,177
The carrying value of revalued asset stated under the historical costconvention				
At 31 March 2019	2,065	-	-	2,065

3. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) The Group revalues its freehold hotel property, freehold land and buildings once in every two (2) to five (5) years to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. The valuation is carried out by independent firm of professional valuers using the open market basis.

The latest valuations on freehold hotel property in Malaysia were carried out by Raine & Horne International Zaki + Partners Sdn. Bhd. on 23 March 2018. The fair value of the freehold hotel property was determined using profit method and therefore is categorised as Level 3 in the fair value hierarchy.

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

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Profits method	- Average room rates during holding period ranging from RM350 per room to RM2,400 per room. - Historical average occupancy rates during holding period ranging from 47.25% to 56.75%	The estimate fair value would increase/(decrease) if: - Average room rates during the holding period were higher/(lower) - Historical average occupancy rates during the holding period were higher/(lower)

The latest valuations on freehold land and buildings in Malaysia and Singapore were carried out by Rahim & Co International Sdn. Bhd. and Bernard Valuers & Real Estate Consultants Pte. Ltd. on 31 March 2016, respectively. The fair value of the freehold land and buildings was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

There was transfer between levels in the fair value hierarchy of freehold hotel property, from Level 2 to Level 3 during the previous financial year.

There is no transfer between levels in the hierarchy during the financial year.

(b) The following table shows a reconciliation of Level 3 fair value:

	Group	
	2020 RM'000	**2019 RM'000**
At beginning/end of financial year	186,000	186,000

<u>Valuation processes applied by the Group for Level 3 fair value</u>

The fair value of freehold hotel property is determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent professional valuers provide the fair value of the property. Changes in Level 3 fair value are assessed by the management after obtaining the valuation reports from the independent professional valuers.

(c) The freehold hotel property has been pledged as security for the bank borrowings as disclosed in Note 23 to the financial statements.

(d) The fair value measurements of the freehold hotel property, freehold land and buildings (at valuation) are based on the highest and best use which does not differ from their actual use.

4. LEASES

The Group as lessee

Right-of-use assets

Rights-of-use assets related to leased properties and office equipment that do not meet the definition of investment property are presented as property, plant and equipment (Note 3).

Carrying amount	Balance as at 1.4.2019 RM'000	Effects of adoption of MFRS 16 (Note 2.1) RM'000	Additions RM'000	Reversal RM'000	Depreciation RM'000	Balance as at 31.03.2020 RM'000
Buildings	-	6,238	-	-	(1,502)	4,736
Office equipment	-	127	16	-	(35)	108
	-	6,365	16	-	(1,537)	4,844

Lease liabilities

Carrying amount	Balance as at 1.4.2019 RM'000	Effects of adoption of MFRS 16 (Note 2.1) RM'000	Additions RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.03.2020 RM'000
Buildings	-	6,294	-	(1,696)	267	4,865
Office equipment	-	126	16	(39)	5	108
	-	6,420	16	(1,735)	272	4,973

The Company as lessee

Right-of-use assets

Rights-of-use assets related to leased properties and office equipment that do not meet the definition of investment property are presented as property, plant and equipment (Note 3).

Carrying amount	Balance as at 1.4.2019 RM'000	Effects of adoption of MFRS 16 (Note 2.1) RM'000	Depreciation RM'000	Balance as at 31.03.2020 RM'000
Buildings	-	1,467	(309)	1,158
Office equipment	-	25	(6)	19
	-	1,492	(315)	1,177

4. LEASES (continued)

The Company as lessee (continued)

Lease liabilities

Carrying amount	Balance as at 1.4.2019 RM'000	Effects of adoption of MFRS 16 (Note 2.1) RM'000	Lease payments RM'000	Interest expense RM'000	Balance as at 31.03.2020 RM'000
Buildings	-	1,479	(354)	63	1,188
Office equipment	-	25	(6)	1	20
	-	1,504	(360)	64	1,208

2020 Represented by:	Group RM'000	Company RM'000
Current liabilities	1,407	310
Non-current liabilities	3,566	898
	4,973	1,208
Lease liabilities owing to non-financial institutions	4,973	1,208

(a) The Group has certain leases of building with lease term of 12 months or less, and low value leases of office equipment. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

2020	Group RM'000	Company RM'000
Depreciation charge of right-of-use assets (included in administration expense)	1,537	315
Interest expense on lease liabilities (included in finance costs)	272	64
Expense relating to short-term leases (included in administration expenses)	212	-
Expense relating to leases of low-value assets (included in administration expenses)	27	-
	2,048	379

(c) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM1,734,915 and RM360,042 respectively.

4. LEASES (continued)

(d) The Group has several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The followings are the undiscounted potential future rental payments that are not included in the lease term:

Group 2020	Within five years RM'000	More than five years RM'000	Total RM'000
Extension options expected not to be exercised	560	14	574

(e) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group and of the Company:

Group 31 March 2020	Weighted average incremental borrowing rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Lease liabilities	4.70% - 4.75%	1,407	1,302	2,264	-	4,973
Company 31 March 2020						
Lease liabilities	4.70%	310	325	573	-	1,208

(f) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group 31 March 2020	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Lease liabilities	1,604	3,801	-	5,405
Company 31 March 2020				
Lease liabilities	360	957	-	1,317

The Group and the Company as lessor

The Group and the Company have entered into non-cancellable lease agreements on of its certain owned commercial properties (Note 6) for terms of between two (2) to three (3) years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

4. LEASES (continued)

The Group and the Company as lessor (continued)

The Group and the Company have aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Year 1	1,807	990	89	90
Year 2	870	1,113	35	54
Year 3	21	-	-	-
	2,698	2,103	124	144

5. INVENTORIES

		Group	
	Note	**2020 RM'000**	**2019 RM'000**
Non-current assets			
Land held for property development	(a)(i)	383,299	326,314
Current assets			
Property development costs ("PDC")	(a)(ii)	63,687	264,513
Completed development properties		237,800	111,257
Consumables		241	276
		301,728	376,046
Inventories recognised in profit or loss as cost of sales		147,842	138,353

(a) The details of the inventories are as follows:

(i) Non-current assets - Land held for property development

Group	**Balance as at 1.4.2019 RM'000**	**Additions RM'000**	**Transfer from PDC RM'000**	**Written down RM'000**	**Balance as at 31.3.2020 RM'000**
Carrying amount					
Freehold land	221,698	214	51,564	-	273,476
Leasehold land	27,136	-	-	-	27,136
Development costs	77,480	419	19,382	(14,594)	82,687
	326,314	633	70,946	(14,594)	383,299

5. INVENTORIES (continued)

(a) The details of the inventories are as follows: (continued)

(i) Non-current assets - Land held for property development (continued)

	Balance as at 1.4.2018 RM'000	Additions RM'000	Transfer from PDC RM'000	Written down RM'000	Balance as at 31.3.2019 RM'000
Carrying amount					
Freehold land	220,985	713	-	-	221,698
Leasehold land	27,136	-	-	-	27,136
Development costs	76,835	645	-	-	77,480
	324,956	1,358	-	-	326,314

(ii) Current assets - Property development costs

	Note	Group 2020 RM'000	Group 2019 RM'000
Freehold land at cost		64,149	64,099
Leasehold land at cost		46,449	46,399
Development costs		363,488	202,476
Costs recognised as an expense in profit or loss in previous financial years		(209,573)	(101,191)
At 1 April 2019/2018		264,513	211,783
Costs incurred during the year			
Freehold land at cost		1,558	50
Leasehold land at cost		42,381	50
Development costs		119,672	161,012
		163,611	161,112
Cost recognised as an expense in profit or loss in current year		(128,015)	(108,382)
Cost transferred to land held for development		(70,946)	-
Cost transferred to completed development properties		(146,364)	-
Cost transferred to property, plant and equipment		(19,112)	-
At 31 March 2020/2019		63,687	264,513

(b) Inventories are stated at lower of cost and net realisable value.

(c) As at the end of the reporting period, land held for property development with carrying amount of RM248,993,000 (2019: RM243,833,000) were pledged to licensed bank to secure the bank borrowings as disclosed in Note 23 to the financial statements.

(d) Included in property development costs above is land with carrying amount of RM38,000,000 (2019: RM38,000,000) which were pledged to licensed bank to secure the bank borrowings referred to in Note 23 to the financial statements.

5. INVENTORIES (continued)

(e) Included in property development costs is borrowing costs of RM1,209,000 (2019: RM2,319,000) incurred during the financial year. The interest rate ranges from 4.75% to 5.40% (2019: 4.87% to 5.15%) per annum.

(f) Leasehold land of the Group represent costs incurred as a consequence of having used the right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.

6. INVESTMENT PROPERTIES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
At 1 April 2019/2018	10,075	9,920	2,350	2,350
Fair value adjustments	(187)	90	-	-
Additions during the year	147	65	-	-
Transfer to property, plant and equipment (Note 3)	(3,916)	-	-	-
At 31 March 2020/2019	6,119	10,075	2,350	2,350
Comprise:				
Freehold land and buildings				
Office space in a 24-storey office building known as Plaza 138	3,280	3,320	2,350	2,350
Commerial kiosk and parking lots located at The Hub SS2	2,839	6,755	-	-
	6,119	10,075	2,350	2,350

(a) The amount of rental income and direct operating expenses recognised on revenue generating investment properties are disclosed in Notes 26 and 29 to the financial statements.

(b) The fair values of the investment properties at 31 March 2020 are based on a valuation carried out by Raine & Horne International Zaki + Partners Sdn. Bhd., a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value of the investment properties was determined using comparison method and therefore is categorised as Level 2 in the fair value hierarchy.

The comparison method entails comparing the property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, size, building construction and finishes, building services, management and maintenance, age and state of repair, market conditions and other relevant characteristics.

There is no transfer between levels in the fair value hierarchy during the financial year.

7. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares at cost		
- ordinary shares	23,568	23,568
- non-cumulative redeemable preference shares	199,000	199,000
	222,568	222,568
Impairment losses	(7,850)	(7,850)
	214,718	214,718

(a) The subsidiaries are:

	Equity interest Direct 2020 %	Direct 2019 %	Indirect 2020 %	Indirect 2019 %	Country of incorporation	Principal activities
SDB Properties Sdn. Bhd. ("SDBP")	100	100	-	-	Malaysia	Property development and the operation of a boutique urban resort hotel known as Hotel Maya Kuala Lumpur
Prestij Permai Sdn. Bhd. ("PPSB")	-	-	100	100	Malaysia	Property development
Hayat Abadi Sdn. Bhd. ("HASB")	-	-	100	100	Malaysia	Property development
SDB Damansara Sdn. Bhd. ("SDBD")	-	-	100	100	Malaysia	Property development
SDB SS2 Development Sdn. Bhd. ("SDBSS2")	-	-	100	100	Malaysia	Property development
SDB Ampang Sdn. Bhd. ("SDBA")	-	-	100	100	Malaysia	Property development
Crescent Consortium Sdn. Bhd. ("CCSB")	-	-	100	100	Malaysia	Property development
SDB Kuantan Development Sdn. Bhd. ("SDBKU")	-	-	100	-	Malaysia	Property development
SDB Subang Developement Sdn. Bhd. ("SDBSU")	-	-	100	-	Malaysia	Property development
Seldredge Industries Sdn. Bhd. ("SDI")	100	100	-	-	Malaysia	Property development

7. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The subsidiaries are: (continued)

	Equity interest					
	Direct		Indirect		Country of	
	2020 %	2019 %	2020 %	2019 %	incorporation	Principal activities
SDB International Sdn. Bhd. ("SDBI")	100	100	-	-	Malaysia	Investment holding
SDB Interiors Sdn. Bhd. ("SDBINT")	100	100	-	-	Malaysia	Provision of property support services
SDB Property Management Sdn. Bhd. ("SDBPM")	-	-	100	100	Malaysia	Provision of property management sevices
SDB Host Sdn. Bhd. ("SDBH")	-	-	100	100	Malaysia	Provision of property management services
SuperGreen Solutions Sdn. Bhd. ("SGS")	-	-	100	100	Malaysia	Trading and installation of energy efficient products
SDB Mining Sdn. Bhd. ("SDBM")	100	100	-	-	Malaysia	Investment holding
SDB Asia Pte. Ltd. ("SDBAS")*	-	-	100	100	Singapore	Investment in property and property development
SDB Green Energy Pte. Ltd. ("SDBGE")*	-	-	100	100	Singapore	Master Franchisee of energy efficient products

* *Subsidiaries not audited by BDO PLT*

(b) Reconciliation of movements in accumulated impairment losses is as follows:

	Company	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018 and 31 March 2020/2019	7,850	7,850

(c) On 25 July 2019, SDBP, a wholly owned subsidiary of the Group had incorporated a new subsidiary known as SDBSU with paid up share capital of RM250,000 comprising 250,000 ordinary shares.

(d) On 9 January 2020, SDBP, a wholly owned subsidiary of the Group had incorporated a new subsidiary known as SDBKU with paid up share capital of RM250,000 comprising 250,000 ordinary shares.

(e) Management has made estimates about the future results and key assumptions applied to cash flow projections of subsidiaries in determining their recoverable amounts using the value-in-use model.

Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

8. INVESTMENTS IN ASSOCIATES

	Group 2020 RM'000	Group 2019 RM'000
Quoted equity shares, at cost	74,034	74,034
Unquoted equity shares, at cost	10,000	10,000
Group's share of post-acquisition reserves	16,113	8,505
Dividend received	(1,702)	-
	98,445	92,539

The associates are as follows:

	Equity interest Indirect 2020 %	Equity interest Indirect 2019 %	Country of incorporation	Principal activities
Fortress Minerals Limited ("FML")*	31	31	Singapore	Investment holding
Extra Diligent Sdn. Bhd. ("EDSB")*@	45	45	Malaysia	Acquisition of mines, mining rights, metalliferous land and quarries, and dealings in minerals

* *Associates not audited by BDO PLT*
@ *Details of changes in interests and acquisition of interest in associates are disclosed in Notes b, c and d.*

(a) The associates have a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associates for the financial year ended 29 February 2020/28 February 2019 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 March 2020/2019 and 31 March 2020/2019.

Summarised financial information of the associates are as follows:

2020	FML RM'000	EDSB RM'000
Assets and liabilities		
Non current assets	95,700	4,390
Current assets	70,183	633
Non current liabilities	(6,965)	-
Current liabilities	(34,198)	(4,959)
Net assets	124,720	64

8. INVESTMENTS IN ASSOCIATES (continued)

(a) The associates have a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associates for the financial year ended 29 February 2020/28 February 2019 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 March 2020/2019 and 31 March 2020/2019. (continued)

Summarised financial information of the associates are as follows: (continued)

2020	**FML RM'000**	**EDSB RM'000**
Results		
Revenue	107,488	-
Cost of sales	(35,843)	-
Gross profit	71,645	-
Other operating income	2,848	-
Selling and distribution expenses	(8,628)	-
Adminstrative and general expenses	(7,361)	(30)
Other operating expenses	(18,787)	-
Finance cost	(177)	-
Profit/(Loss) before tax	39,540	(30)
Tax expense	(12,600)	-
Profit/(Loss) for the financial year	26,940	(30)
Other comprehensive loss for the financial year	(2,353)	-
Share of profit/(loss) by the Group for the financial year	8,351	(14)
Share of other comprehensive loss by the Group for the financial year	(729)	-
Dividend received	1,702	-
2019		
Assets and liabilities		
Non current assets	75,954	3,948
Current assets	67,693	685
Non current liabilities	(66,048)	-
Current liabilities	(8,263)	(4,552)
Net assets	69,336	81

8. INVESTMENTS IN ASSOCIATES (continued)

(a) The associates have a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associates for the financial year ended 29 February 2020/28 February 2019 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 March 2020/2019 and 31 March 2020/2019. (continued)

Summarised financial information of the associates are as follows: (continued)

2019	**FML RM'000**	**EDSB RM'000**
Results		
Revenue	82,831	-
Cost of sales	(30,713)	-
Gross profit	52,118	-
Other operating income	8,163	-
Selling and distribution expenses	(21,167)	-
Adminstrative and general expenses	(2,207)	(7)
Other operating expenses	(6,303)	-
Finance cost	(28)	-
Profit/(Loss) before tax	30,576	(7)
Tax expense	(7,750)	-
Profit/(Loss) for the financial year	22,826	(7)
Share of profit by the Group for the financial year	7,076	-

The information above represents the amounts in the financial statements of associates and do not reflect the Group's proportionate share in those amounts.

The reconciliation of the above summarised financial information to the carrying amounts of the Group's interest in associates is as follows:

	Group 2020	
	FML RM'000	**EDSB RM'000**
Net assets attributable to shareholders of associates	124,720	64
Proportion of ownership interest held by the Group	31%	45%
Group's share of net assets	38,663	28
Goodwill	61,045	9,964
Elimination of consolidation adjustments	(11,251)	(4)
Carrying value of Group's interest in associates	88,457	9,988

8. INVESTMENTS IN ASSOCIATES (continued)

(a) The associates have a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associates for the financial year ended 29 February 2020/28 February 2019 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 March 2020/2019 and 31 March 2020/2019. (continued)

The reconciliation of the above summarised financial information to the carrying amounts of the Group's interest in associates is as follows: (continued)

	Group 2019	
	FML RM'000	EDSB RM'000
Net assets attributable to shareholders of associates	69,336	81
Proportion of ownership interest held by the Group	31%	45%
Group's share of net assets	21,494	36
Goodwill	61,045	9,964
Carrying value of Group's interest in associates	82,539	10,000

Management has made estimates about the future results and key assumptions applied to cash flow projections of the associate in determining their recoverable amounts using the value-in-use model.

(b) In the previous financial year, SDBM acquired 2% of equity interest of FMSB and the equity interest increased to 37% from 35%.

SDBM undertook a restructuring exercise to dispose of 370,000 ordinary shares in FMSB, representing 37% of the equity interest in FMSB to FML. The consideration is satisfied via the issuance of 154,937,150 ordinary shares in FML, representing 37% of the equity interest in FML.

(c) In the previous financial year, FML has obtained approval from Singapore Securities Trading Limited for listing on Catalist Board. The recognition of an accounting gain of RM11,448,000 on dilution of interest in FML was attributable to FML's issuance of new ordinary shares as consideration for its private placement to public, which results in the equity interest decreased to 31% from 37%.

(d) In the previous financial year, a wholly owned subsidiary of the Company, SDBM entered into a Share Sale Agreement in acquiring 35% equity interest of Extra Diligent Sdn. Bhd. ("EDSB") for a total cash consideration of RM10. On 5 September 2018, SDBM acquired 10% of equity interest of EDSB at the consideration of RM10,000,000 and the equity interest increased to 45% from 35%. The principal activity of EDSB is acquisition of mines, mining rights, metallifeous land and quarries, and dealing in minerals.

9. INVESTMENTS IN JOINT VENTURES

	Group	
	2020 RM'000	2019 RM'000
Capital contribution, at cost	81,231	64,500
Group's share of post-acquisition reserves and retained profit less losses	64,307	64,980
Foreign exchange adjustments	22,099	21,163
	167,637	150,643

9. INVESTMENTS IN JOINT VENTURES (continued)

The joint ventures are as follows:

	Equity interest Direct 2020 %	Equity interest Direct 2019 %	Equity interest Indirect 2020 %	Equity interest Indirect 2019 %	Country of incorporation	Principal activities
Chedstone Investment Holdings Pte. Ltd. ("CHI")*	-	-	50	50	Singapore	Property development
Champsworth Development Pte. Ltd. ("CD")*	-	-	50	50	Singapore	Property development
SDB Teambuild Sdn. Bhd. ("SDBT")	-	-	50	50	Malaysia	Contractor for building and project management service
Subsidiary of CHI						
SDB Guernsey Limited*	-	-	50	50	Guernsey	Investment holding and property investment
Subsidiaries of CD						
Tiara Land Pte. Ltd. ("TLPL") *	-	-	50	50	Singapore	Property development
Teratai Investment Holdings Pte. Ltd.*	-	-	50	50	Singapore	Dormant

* *Joint ventures not audited by BDO PLT*

	Group 2020 RM'000	Group 2019 RM'000
Reconciliation of net assets to carrying amount as at 31 March		
Carrying amount in the statement of financial position	167,637	150,643
Group's share of loss, net of tax	(673)	(908)

9. INVESTMENTS IN JOINT VENTURES (continued)

(a) Summarised financial information of material joint ventures is as follows:

2020	**CHI and its subsidiary RM'000**	**CD and its subsidiaries RM'000**
Assets and liabilities		
Current assets	68,417	771,779
Current liabilities	(126)	(504,797)
Net assets	68,291	266,982
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investments in joint ventures	34,146	133,491
Results		
Revenue	-	95,691
Cost of sales	-	(75,195)
Gross profit	-	20,496
Other operating income	1,852	5,028
Selling and distribution expenses	-	(6,470)
Other expenses	(381)	(201)
Adminstrative and general expenses	(1,791)	(6,326)
Finance cost	-	(13,480)
Loss before tax	(320)	(953)
Taxation	-	9
Loss for the financial year	(320)	(944)
Share of loss by the Group for the financial year	(160)	(472)

9. INVESTMENTS IN JOINT VENTURES (continued)

(a) Summarised financial information of material joint ventures is as follows: (continued)

2019	**CHI and its subsidiary RM'000**	**CD and its subsidiaries RM'000**
Assets and liabilities		
Current assets	67,876	754,723
Current liabilities	(139)	(521,175)
Net assets	67,737	233,548
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investments in joint ventures	33,869	116,774
Results		
Revenue	-	70,716
Cost of sales	-	(55,216)
Gross profit	-	15,500
Other operating income	1,521	437
Selling and distribution expenses	-	(8,674)
Other expenses	-	(1,049)
Adminstrative and general expenses	(1,225)	(7,943)
Profit /(Loss) before tax	296	(1,729)
Taxation	-	(383)
Profit /(Loss) for the financial year	296	(2,112)
Share of profit /(loss) by the Group for the financial year	148	(1,056)

(b) The summarised aggregate financial information of the Group's share of other individually immaterial joint venture as at 31 March is as follows:

	Group	
	2020 RM'000	**2019 RM'000**
Net loss for the financial year	(41)	-
Total comprehensive loss	(41)	-
Carrying amount of the Group's interest in joint venture	-	-

9. INVESTMENTS IN JOINT VENTURES (continued)

(c) During the financial year, CD increased its share capital from SGD48,820,000 to SGD59,820,000 by way of issuance of 11,000,000 ordinary shares at SGD1.00 each. SDBI acquired additional 5,500,000 ordinary shares in CD for a total cash consideration of RM16,731,000 and the remaining additional 5,500,000 ordinary shares were subscribed by the other controlling party for cash consideration of SGD5,500,000. The equity interest of SDBI in CD remained at 50% (2019: 50%) as at the end of the reporting period.

10. INTANGIBLE ASSETS

	Group	
	2020 RM'000	**2019 RM'000**
Franchise licenses		
Cost		
As at 1 April 2019/2018	576	568
Foreign exchange adjustments	1	8
At 31 March 2020/2019	577	576
Accumulated amortisation		
At 1 April 2019/2018	15	7
Amortisation charge for the year	9	8
At 31 March 2020/2019	24	15
Net carrying amount	553	561

11. DEFERRED TAX

(a) The deferred tax are made up of the following:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
As at 1 April 2019/2018	12,642	11,495	(889)	(469)
Recognised in profit or loss (Note 31)	(7,076)	1,147	756	(420)
As at 31 March 2020/2019	5,566	12,642	(133)	(889)
Represented by:				
Deferred tax assets, net	8,054	13,599	-	-
Deferred tax liabilities, net	(2,488)	(957)	(133)	(889)
	5,566	12,642	(133)	(889)

11. DEFERRED TAX (continued)

(b) The components of the Group's and the Company's deferred tax assets/(liabilities) are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Deferred tax assets:				
Tax effect of unutilised tax losses	2,470	10,703	-	-
Tax effect of unabsorbed capital allowances	11	51	9	-
Other deductible temporary differences	7,526	5,537	800	-
Deferred tax assets (before off-setting)	10,007	16,291	809	-
Offsetting	(1,953)	(2,692)	(809)	-
Deferred tax assets (after off-setting)	8,054	13,599	-	-
Deferred tax liabilities:				
Recognised in profit or loss:				
Plant, property and equipment ("PPE")	(1,194)	(1,129)	(916)	(814)
Tax effects of fair value gain on investment properties subject to real property gain tax	(74)	(96)	-	(49)
Other taxable temporary difference	(749)	-	-	-
Recognised in other comprehensive income:				
Tax effects of revaluation gain on PPE	(2,424)	(2,424)	(26)	(26)
Deferred tax liabilities (before off-setting)	(4,441)	(3,649)	(942)	889
Offsetting	1,953	2,692	809	-
Deferred tax liabilities (after off-setting)	(2,488)	(957)	133	889

(c) The following temporary differences and unutilised tax losses exist as at 31 March of which the deferred tax benefits have not been recognised in the financial statements:

	Group	
	2020 RM'000	**2019 RM'000**
Unutilised tax losses	97,362	43,570
Unabsorbed capital allowances	29,387	26,981
Other deductible temporary differences	41,154	71,735
	167,903	142,286

Deferred tax assets of the Company and certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the Company and subsidiaries would be available against which the deductible temporary differences could be utilised.

11. DEFERRED TAX (continued)

For the Malaysian entities, the unused tax losses up to the year of assessment 2019 shall be deductible until the year of assessment 2025. The unused tax losses for the year of assessment 2020 onwards will expire in 7 years.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

12. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020 RM'000	**2019 RM'000**
Revenue recognised in profit or loss to date	1,275,932	1,070,484
Progress billings to date	(1,228,676)	(1,045,907)
Less: Impairment losses (Note 40(c))	(595)	(968)
	46,661	23,609
Represented by:		
Contract assets		
Cost to obtain a contract	3,743	12,967
Construction contracts	6	379
Property development contracts	55,074	94,486
	58,823	107,832
Contract liabilities		
Property development contracts	(12,162)	(84,223)
	46,661	23,609

13. TRADE RECEIVABLES

	Group	
	2020 RM'000	**2019 RM'000**
Progress billings receivables	43,401	57,553
Retention sums receivables	7,396	118
Rental receivables	-	17
Other trade receivables	3,267	9,046
	54,064	66,734
Less: Impairment losses (Note 40(c))	(10,682)	(6,358)
Total trade receivables	43,382	60,376

13. TRADE RECEIVABLES (continued)

(a) Progress billings to house buyers are due within 21 days as stipulated in the sale and purchase agreements. The retention sums are due upon the expiry of the defect liability period stated in the sale and purchase agreements. The defect liability periods range from 6 to 24 months.

(b) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information incorporating macroeconomic factors and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group has identified the Malaysia housing index, gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information and estimated loss given default in worst-case scenarios incorporating the impact of the COVID-19 pandemic.

(c) Monthly rentals from tenants were due at the beginning of the month.

(d) Normal credit terms granted to other customers is 30 days. For major established customers, the credit terms may be extended to 60 days based on the discretion of management.

(e) All trade receivables are denominated in Ringgit Malaysia.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Other receivables	6,362	12,799	15	187
Less: Impairment losses (Note 40(c))	(1,282)	(1,319)	(1)	(1)
	5,080	11,480	14	186
Interest receivables	90	96	-	-
Deposits	7,070	2,490	79	78
Total other receivables	12,240	14,066	93	264
Prepayments	2,437	2,480	137	132
	14,677	16,546	230	396

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

(a) Included in deposits are rental deposits held by the following parties:

	Group	
	2020 RM'000	**2019 RM'000**
Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink, Directors of the Company	6	6
Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink, Directors of the Company	6	6
Teh Kien Toh Sdn. Bhd., a company in which Teh Lip Kim and Teh Lip Pink, Directors of the Company, have interests	6	6

(b) The currency exposure profile of other receivables and deposits is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
- RM	12,149	11,075	93	264
- Singapore Dollar ("SGD")	76	2,991	-	-
- Australian Dollar ("AUD")	15	-	-	-
	12,240	14,066	93	264

(c) Impairment for other receivables is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology to determine the amount of the impairment is based on determining if there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For financial assets where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For financial assets that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(d) The probability of non-payment by other receivables and amounts owing from subsidiaries, associates and joint ventures is adjusted by forward looking information incorporating macroeconomic factors and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for other receivables and amounts owing from subsidiaries, associates and joint ventures.

The Group has identified the Malaysia housing index, gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

It requires management to exercise significant judgement in determining the probability of default by other receivables, amounts due from subsidiaries, associates and joint ventures and appropriate forward looking information and significant increase in credit risk incorporating the impact of COVID-19 pandemic.

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

(a) The amounts owing by subsidiaries consist of the following:

	Company 2020 RM'000	Company 2019 RM'000
Non-current assets		
Interest-free advances	1,090	554
Interest bearing advances	9,815	5,182
	10,905	5,736
Less: Impairment losses	(83)	(29)
	10,822	5,707
Current assets		
Interest-free advances	5,092	185
Interest bearing advances	394,670	408,840
	399,762	409,025
Less: Impairment losses	(2,996)	(1,976)
	396,766	407,049

Amounts owing by subsidiaries are unsecured, which represent interest-free advances, or interest bearing advances at 5.00% (2019: 5.00%) per annum. Current amounts owing by subsidiaries are repayable within 12 months (2019: 12 months) in cash and cash equivalents, while non-current amounts owing by subsidiaries are not payable within the next twelve months.

(b) Amounts owing to subsidiaries included under current liabilities represent unsecured, interest bearing advances at a rate of 5.00% (2019: 5.00%) per annum, which are payable on demand in cash and cash equivalents.

(c) The currency exposure profile of amounts owing by subsidiaries is as follows:

	Company 2020 RM'000	Company 2019 RM'000
- RM	407,370	412,538
- SGD	218	218
	407,588	412,756

(d) All amounts owing to subsidiaries are denominated in Ringgit Malaysia.

(e) The movements in the impairment allowance for amounts owing by subsidiaries are disclosed in Note 40(c) to the financial statements.

16. AMOUNTS OWING BY ASSOCIATES

	Group	
	2020 RM'000	**2019 RM'000**
Non-current assets		
Interest-free advances	2,205	1,890
Less: Impairment losses	(6)	(9)
	2,199	1,881
Current assets		
Interest-free advances	5,775	11,900
Less: Impairment losses	(54)	(58)
	5,721	11,842
	7,920	13,723

(a) Amounts owing by associates represent advances and payments made on behalf, which are unsecured and interest-free.

Current amounts owing by associates are repayable within 12 months (2019: 12 months) in cash and cash equivalents, while non-current amounts owing by associates are not payable within the next twelve months.

(b) All amounts owing by associates are denominated in Ringgit Malaysia.

(c) The movements in the impairment allowance for amounts owing by associates are disclosed in Note 40(c) to the financial statements.

17. AMOUNTS OWING BY/(TO) JOINT VENTURES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Current assets				
Interest-free advances	6,476	1,270	126	57
Less: Impairment losses	(8)	(5)	-	-
	6,468	1,265	126	57
Current liabilities				
Interest-free advances	-	2,970	-	-

(a) Amounts owing by/(to) joint ventures represent advances and payments made on behalf, which are unsecured, interest-free and receivable/payable on demand in cash and cash equivalents.

17. AMOUNTS OWING BY/(TO) JOINT VENTURES (continued)

(b) The currency exposure profile of amounts owing by joint ventures are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
- RM	1,042	1,211	-	3
- SGD	5,426	54	126	54
	6,468	1,265	126	57

(c) Amount owing to a joint venture is denominated in SGD.

(d) The movements in the impairment allowance for amounts owing by joint ventures are disclosed in Note 40(c) to the financial statements.

18. SHORT TERM INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short term funds	-	157	-	-

(a) In the previous financial year, the short term funds were managed and invested into fixed income securities and money market instruments and deposits by fund management companies. The short term funds were readily convertible to cash.

(b) All short term investments were denominated in Ringgit Malaysia.

(c) Placement in short term investments aim to invest in highly liquid instruments which were investing its assets in money market instruments and deposits with financial institutions in Malaysia and were redeemable with one (1) day notice. These short terms investments were subject to an insignificant risk of changes in value and form part of cash and cash equivalents. Funds distribution income from these funds was tax-exempted, was calculated daily and distributed at every month end.

19. DEPOSITS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with licensed banks	3,811	25,283	390	390

19. DEPOSITS (continued)

(a) Deposits include the following amounts which have been pledged as security for a bank guarantee facilities:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Stamp duty payable on facility agreements	390	2,112	390	390

(b) The effective interest rates of the deposits range from 0.65% to 3.70% (2019: 0.85% to 3.25%) per annum.

(c) Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2019: 1 day to 90 days)

(d) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(e) The currency exposure profile of deposits is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
- RM	2,283	2,220	390	390
- SGD	1,528	23,063	-	-
	3,811	25,283	390	390

20. CASH AND BANK BALANCES

(a) Included in cash and bank balances of the Group is a balance of RM6,510,000 (2019: RM4,836,000) held under Housing Development Account pursuant to Section 7A of Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015, which is not available for general use by the Group.

Funds maintained in the Housing Development Accounts earn interest ranging from 1.91% to 3.26% (2019: 1.75% to 2.00%) per annum.

(b) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

(c) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
- RM	32,455	12,931	2,618	1,300
- SGD	6,161	1,221	-	-
- Australian Dollar ("AUD")	12	13	-	-
	38,628	14,165	2,618	1,300

21. SHARE CAPITAL

	Group and Company	
	2020 RM'000	2019 RM'000
Issued and fully paid:		
426,127,662 ordinary shares	213,541	213,541

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

22. OTHER RESERVE (Distributable)

The distributable other reserve represents realised capital gains transferred from retained earnings.

23. BANK BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Secured				
Term loans	108,470	154,209	-	-
Revolving credits	253,623	203,750	16,250	18,750
Unsecured				
Revolving credits	65,000	55,000	50,000	50,000
	427,093	412,959	66,250	68,750
Repayments due within 12 months *(included under current liabilities)*	(294,023)	(279,322)	(52,500)	(52,500)
Repayments due after 12 months *(included under non-current liabilities)*	133,070	133,637	13,750	16,250

(a) The bank borrowings are repayable as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
- not later than one (1) year	294,023	279,322	52,500	52,500
- later than one (1) year but not later than two (2) years	49,246	72,826	2,500	2,500
- later than two (2) years but not later than five (5) years	65,776	30,874	7,500	7,500
- later than five (5) years	18,048	29,937	3,750	6,250
	427,093	412,959	66,250	68,750

23. BANK BORROWINGS (continued)

(b) The range of interest rates at the end of the reporting period for bank borrowings are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
Term loans	4.14%-4.66%	5.05%-5.40%	-	-
Revolving credits	3.91%-5.38%	4.40%-5.97%	4.45%-5.38%	5.29%-5.97%

(c) All borrowings are denominated in Ringgit Malaysia.

(d) The bank borrowings are secured as follows:

(i) negative pledge over the entire assets of the Company;
(ii) pledge over the hotel property of the Group as indicated in Note 3 to the financial statements; and
(iii) various land belonging to the Group as indicated in Note 5 to the financial statements.

24. TRADE PAYABLES

	Group	
	2020 RM'000	**2019 RM'000**
Contractors' claims	7,764	41,081
Retention sums	35,808	6,742
Accrued property development cost	56,550	22,183
Others	1,369	1,347
	101,491	71,353

(a) The normal credit terms extended by suppliers ranges from 30 to 90 days. Retention sums are payable upon the expiry of the defect liability periods of 12 to 24 months.

(b) All trade payables are denominated in Ringgit Malaysia.

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Other payables, deposits and accruals	16,865	14,013	608	738
Interest payable	516	509	61	143
Tenants' deposits	66	62	29	33
Deposits received from property purchasers	2,366	7,619	-	-
	19,813	22,203	698	914

25. OTHER PAYABLES AND ACCRUALS (continued)

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
- RM	19,745	22,146	698	914
- SGD	68	57	-	-
	19,813	22,203	698	914

26. REVENUE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Revenue from contracts with customers	243,696	255,982	-	-
Other revenue				
- Dividend income	-	-	-	51,250
- Rental income	154	144	93	83
	243,850	256,126	93	51,333
Recognised over time:				
Property development revenue	226,176	236,869	-	-
Construction revenue	2,208	3,718	-	-
Management services	1,277	1,527	-	-
Recognised at point in time:				
Rental of hotel rooms, food and beverages and other ancillary services	14,035	13,868	-	-
	243,696	255,982	-	-

27. COST OF SALES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cost of property development	146,460	159,845	-	-
Cost of letting of properties	284	435	222	305
Cost of hotel services rendered	7,751	8,357	-	-
Construction cost	1,803	2,380	-	-
	156,298	171,017	222	305

28. FINANCE COSTS

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Interest expenses on:				
- Revolving credits	12,822	14,714	3,539	3,723
- Term loans	6,298	3,887	-	-
- Advances from a subsidiary	-	-	396	4,506
- Lease interest	272	-	64	-
	19,392	18,601	3,999	8,229

29. PROFIT BEFORE TAX

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit before tax is stated after charging:				
Auditors' remuneration				
- Statutory audit:				
- current year	202	202	44	44
- Non-statutory audit:				
- under provision in prior year	2	3	-	-
Direct operating expenses on revenue generating investment properties	261	343	222	305
Directors' remuneration				
- fees	321	367	218	272
- other emoluments	1,442	1,440	726	725
Unrealised loss on foreign exchange	141	998	-	-
Rental of equipment	32	73	-	7
Rental of premises	210	1,555	-	354
Fair value loss on investment properties	187	-	-	-
and crediting:				
Interest income from:				
- subsidiaries	-	-	20,459	22,096
- fixed deposits	145	582	14	14
- short term investments	100	530	-	398
- others	133	254	-	-
Fair value gain on investment properties	-	90	-	-
Rental income	1,335	103	-	-
Realised gain on foreign exchange	2	338	-	-

30. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Executive Directors' remuneration:				
- Fees	72	123	32	40
- Salaries and other emoluments	1,442	1,440	726	725
	1,514	1,563	758	765
Non-Executive Directors' remuneration				
- Fees	249	244	186	232
Total	1,763	1,807	944	997

31. TAX EXPENSE

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Malaysian tax based on results for the year				
- current	5,778	13,927	3,438	3,173
- (over)/under provision in prior years	(1,797)	(1,481)	347	(795)
Deferred tax expense/(income) (Note 11)				
- current	8,270	(1,024)	(249)	(40)
- (over)/under provision in prior years	(1,194)	(123)	(507)	460
	11,057	11,299	3,029	2,798

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated taxable profits for the fiscal year.

31. TAX EXPENSE (continued)

(b) The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rates to the (loss)/profit before tax and is analysed as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Profit before tax ("PBT")	6,581	35,715	9,800	60,026
Less: Share of results of joint ventures and associates	(7,664)	(6,168)	-	-
PBT before share of results	(1,083)	29,547	9,800	60,026
Taxation at applicable statutory tax rates	(260)	7,091	2,352	14,406
Tax effects arising from:				
- non-taxable income	(1,366)	(606)	(5,534)	(13,633)
- non-deductible expenses	4,713	3,638	6,371	2,360
Difference in tax rates	(235)	159	-	-
Movements in unrecognised deferred tax assets	6,157	2,621	-	-
Reversal of deferred tax assets	5,031	-	-	-
Difference in tax rate of investment property gain	8	-	-	-
Over provision in prior years	(2,991)	(1,604)	(160)	(335)
	11,057	11,299	3,029	2,798

(c) Tax on each component of other comprehensive income are as follows:

	Group 2020		
	Before tax RM'000	**Tax effect RM'000**	**After tax RM'000**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	1,223	-	1,223
Share of other comprehensive loss from an associate	(729)	-	(729)

	Group 2020		
	Before tax RM'000	**Tax effect RM'000**	**After tax RM'000**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translations	4,925	-	4,925

32. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per ordinary share

The basic (loss)/earnings per share has been calculated by dividing the Group's (loss)/profit for the year attributable to shareholders of the Company by the weighted average number of shares in issue:

	Group	
	2020	**2019**
(Loss)/Profit attributable to shareholders of the Company (RM'000)	(4,476)	24,416
Weighted average number of ordinary shares in issue ('000 unit)	426,128	426,128
Basic (loss)/earnings per share (sen)	(1.05)	5.73

(b) Diluted (loss)/earnings per ordinary share

Diluted loss/earnings per ordinary share equals basic loss/earnings per ordinary share as there were no dilutive potential ordinary shares in issue as at 31 March 2020 and 31 March 2019.

33. DIVIDENDS PAID

	Group and Company	
	2020	**2019**
	RM'000	**RM'000**
Dividend of 2.5 sen per ordinary share in respect of the financial year ended 31 March 2018	-	10,653
Dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 March 2019	8,523	-
	8,523	10,653

The Directors do not recommend any dividend for the current financial year.

34. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Salaries and bonuses	19,282	19,558	4,854	5,230
Defined contribution plans	2,619	2,702	706	752
Other staff-related expenses	2,594	2,001	377	337
	24,495	24,261	5,937	6,319

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group include:

(i) its subsidiaries, joint ventures and associates;

(ii) key management personnel, which comprises persons (including the Directors of the Group) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly; and

(iii) companies in which the Directors/shareholders of the Company or their close family members have substantial financial interests or significant influence.

(b) Significant related party transactions determined on a basis negotiated between the Group and the Company with its related parties during the financial year were as follows:

	Transaction value			
	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Transactions with subsidiaries				
Interest received/receivable from SDI	-	-	-	1,428
Interest received/receivable from SDBP	-	-	20,130	25,292
Interest received/receivable from SDBINT	-	-	74	56
Interest received/receivable from SGS	-	-	175	105
Interest received/receivable from SDBM	-	-	26	5,158
Interest received/receivable from SDBI	-	-	54	-
Rental received from SDBP	-	-	-	83
Management fee income from SDBINT	-	-	74	81
Management fee income from SDI	-	-	81	11
Management fee income from SDBP	-	-	778	930
Management fee income from CCSB	-	-	66	35
Management fee income from SDBPM	-	-	557	643
Management fee income from PPSB	-	-	330	187
Management fee income from SDBA	-	-	16	21
Management fee income from SDBAS	-	-	23	57
Management fee income from SDBSS2	-	-	306	363
Management fee income from SDBH	-	-	38	49
Management fee income from SGS	-	-	145	167
Management fee income from HASB	-	-	14	20
Management fee income from SDBD	-	-	92	89
Management fee income from SDBM	-	-	13	80
Management fee income from SDBI	-	-	4	2
Management fee income from SDBGE	-	-	1	-

35. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions determined on a basis negotiated between the Group and the Company with its related parties during the financial year were as follows: (continued)

	Transaction value			
	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Transactions with subsidiaries (continued)				
Management fee income from SDBSU	-	-	48	-
Management fee income from SDBT	-	-	3	-
Management fee income from CD	-	-	88	-
Management fee income from CHI	-	-	11	-
Management fee income from TLPL	-	-	116	-
Management fee paid to SDBINT	-	-	43	-
Management fee paid to SDBP	-	-	124	132
Management fee paid to SDBH	-	-	-	2
Interest paid/payable to SDBI	-	-	220	-
Interest paid/payable to SDI	-	-	176	-
Transactions with Directors, close members of their families and companies in which they and/or close members of their families have interests were as follows:				
Rental paid to Dr Teh Lip Bin, a close family member of Teh Lip Kim and Teh Lip Pink	33	33	-	-
Rental paid to Teh Lip Ling, a close family member of Teh Lip Kim and Teh Lip Pink	33	33	-	-
Rental paid to Teh Kien Toh Sdn. Bhd., a company in which Teh Lip Kim and Teh Lip Pink have interests	33	33	-	-
Medical fees paid to Klinik Ian Ong, a clinic belonging to a close family member of Teh Lip Kim and Teh Lip Pink	150	119	124	76
Consultancy fee paid to Providence Capital Sdn. Bhd., a company in which Eddy Chieng Ing Huong has interest	180	180	-	-

35. RELATED PARTY DISCLOSURES (continued)

(c) Key management personnel compensation

	Group		Company	
Directors	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Short-term employee benefits				
- fees	321	367	218	272
- remuneration	1,214	1,212	612	611
Total short-term employee benefits	1,535	1,579	830	883
Post-employment benefits				
- EPF	228	228	114	114
Sub-total	1,763	1,807	944	997
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	3,602	4,913	1,715	2,668
Post-employment benefits				
- EPF	257	601	59	330
Sub-total	3,859	5,514	1,774	2,998
Total compensation	5,622	7,321	2,718	3,995

36. OPERATING LEASE COMMITMENTS

The Group and the Company as lessee

The future minimum lease payments payable under the above non-cancellable operating leases of the Group and the Company contracted for as at the end of the reporting period but not recognised as payables, are as follows:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Not later than one (1) year	-	923	-	360
Later than one (1) year but not later than five (5) years	-	818	-	257
	-	1,741	-	617

37. CONTINGENT LIABILITIES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Corporate guarantees given to financial institutions for credit facility granted to subsidiaries	373,550	362,550	373,550	332,548
Bank guarantees given by financial institutions in respect of construction and property projects	19,500	-	5,000	-
	393,050	362,550	378,550	332,548
Bank guarantee utilised amount	368,318	362,098	368,318	332,548

The Directors are of the view that the chances of financial institutions to call upon the guarantees are remote. Accordingly, the fair values of the above guarantees are negligible.

38. SEGMENTAL ANALYSIS

The Group's operating segment and reportable segments are business units engaging in providing different products and services and operating in different geographical locations.

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

(i) Property investment - letting of commercial properties

(ii) Hotel operations - operation of hotel and related services

(iii) Investment holding - investment holding

(iv) Property development - property development

(v) Others - provision of management and property support services

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

38. SEGMENTAL ANALYSIS (continued)

2020	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	154	14,010	-	226,176	3,068	-	243,408
Inter-segment sales	144	25	-	-	417	(144)	442
Total revenue	298	14,035	-	226,176	3,485	(144)	243,850
Results							
Segment results	(56)	(6,240)	15,427	49,971	153	(38,850)	20,405
Finance costs	-	(25)	(54)	(58,354)	(845)	39,886	(19,392)
Share of profit/(loss) of joint ventures and associates	-	-	7,704	(40)	-	-	7,664
Unallocated corporate expenses							(2,096)
Profit before tax							6,581
Tax expense							(11,057)
Loss for the financial year							(4,476)
Assets							
Segment assets	423,431	189,448	-	1,420,184	9,810	(936,623)	1,106,250
Investing assets	-	-	379,066	-	-	(363,615)	15,451
Investments in associates	-	-	100,876	-	-	(2,431)	98,445
Investments in joint ventures	-	-	167,637	-	-	-	167,637
Current tax assets	-	-	199	8,442	-	-	8,641
Deferred tax assets	-	-	-	8,054	-	-	8,054
Consolidated total assets							1,404,478
Liabilities							
Segment liabilities	(74,104)	(2,459)	(77,744)	(1,340,423)	(2,238)	931,436	(565,532)
Deferred tax liabilities							(2,488)
Consolidated total liabilities							(568,020)
Other information							
Capital expenditure	76	1,949	-	1,080	36	-	3,141
Depreciation and amortisation	49	3,265	510	2,286	457	-	6,567

38. SEGMENTAL ANALYSIS (continued)

2019	Property investment RM'000	Hotel operations RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	287	13,868	143	236,869	4,959	-	256,126
Inter-segment sales	-	-	-	-	144	(144)	-
Total revenue	287	13,868	143	236,869	5,103	(144)	256,126
Results							
Segment results	278	(6,484)	205,006	64,142	(1,046)	(211,593)	50,303
Finance costs	-	-	-	(18,601)	-	-	(18,601)
Share of profit/(loss) of joint ventures and associates	-	-	7,076	(908)	-	-	6,168
Unallocated corporate expenses							(2,155)
Profit before tax							35,715
Tax expense							(11,299)
Profit for the financial year							24,416
Assets							
Segment assets	17,770	189,093	-	714,490	248,279	525	1,170,157
Investing assets	-	-	12,404	-	-	-	12,404
Investments in associates	-	-	92,539	-	-	-	92,539
Investments in joint ventures	-	-	150,643	-	-	-	150,643
Current tax assets	-	-	-	8,061	-	-	8,061
Deferred tax assets	-	-	-	13,599	-	-	13,599
Consolidated total assets							1,447,403
Liabilities							
Segment liabilities	(70,556)	(2,420)	(25)	(515,834)	(4,873)	-	(593,708)
Current tax liabilities							(3,720)
Deferred tax liabilities							(957)
Consolidated total liabilities							(598,385)
Other information							
Capital expenditure	-	2,548	87	1,425	6,025	-	10,085
Depreciation and amortisation	49	2,735	385	1,097	100	-	4,366

38. SEGMENTAL ANALYSIS (continued)

(b) Secondary reporting format - geographical segment

The operations of the Group are mainly carried out in Malaysia and Singapore.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Segment assets are based on the geographical location of the assets of the Group.

Revenue from external customers	**2020 RM'000**	**2019 RM'000**
Malaysia	243,850	255,886
Singapore	-	240
	243,850	256,126

Major customers

There are no major customers with revenue equal or more than ten percent (10%) of the Group revenue. As such, information on major customers is not presented.

Non-current assets	**2020 RM'000**	**2019 RM'000**
Malaysia	900,172	803,339
Singapore	22,427	22,491
	922,599	825,830

39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2020	**Amortised cost RM'000**	**FVTPL RM'000**	**Total RM'000**
Group			
Financial assets			
Trade receivables	43,382	-	43,382
Other receivables and deposits (excluding prepayments)	12,240	-	12,240
Amounts owing by associates	7,920	-	7,920
Amounts owing by joint ventures	6,468	-	6,468
Deposits	3,811	-	3,811
Cash and bank balances	38,628	-	38,628
Total financial assets	112,449	-	112,449

39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2020	Amortised cost RM'000	FVTPL RM'000	Total RM'000
Group			
Financial liabilities			
Trade payables	101,491	-	101,491
Other payables and accruals	19,813	-	19,813
Bank borrowings	427,093	-	427,093
Total financial liabilities	548,397	-	548,397
2019			
Group			
Financial assets			
Trade receivables	60,376	-	60,376
Other receivables and deposits (excluding prepayments)	14,066	-	14,066
Amounts owing by associates	13,723	-	13,723
Amounts owing by joint ventures	1,265	-	1,265
Short term investments	-	157	157
Deposits	25,283	-	25,283
Cash and bank balances	14,165	-	14,165
Total financial assets	128,878	157	129,035
Financial liabilities			
Trade payables	71,353	-	71,353
Other payables and accruals	22,203	-	22,203
Amounts owing to joint ventures	2,970	-	2,970
Bank borrowings	412,959	-	412,959
Total financial liabilities	509,485	-	509,485

2020	Amortised cost RM'000	Total RM'000
Company		
Financial assets		
Other receivables and deposits (excluding prepayment)	93	93
Amounts owing by subsidiaries	407,588	407,588
Amounts owing by joint ventures	126	126
Deposits	390	390
Cash and bank balances	2,618	2,618
Total financial assets	410,815	410,815

39. FINANCIAL INSTRUMENTS (continued)

(a) Classification of financial instruments (continued)

2020	Amortised cost RM'000	Total RM'000
Company		
Financial liabilities		
Other payables and accruals	698	698
Amounts owing to subsidiaries	5,946	5,946
Bank borrowings	66,250	66,250
Total financial liabilities	72,894	72,894
2019		
Company		
Financial assets		
Other receivables and deposits (excluding prepayment)	264	264
Amounts owing by subsidiaries	412,756	412,756
Amounts owing by joint ventures	57	57
Deposits	390	390
Cash and bank balances	1,300	1,300
Total financial assets	414,767	414,767
Financial liabilities		
Other payables and accruals	914	914
Amounts owing to subsidiaries	4,104	4,104
Bank borrowings	68,750	68,750
Total financial liabilities	73,768	73,768

(b) Fair value of financial instruments

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximate or were at their fair values.

(i) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, amounts owing by/(to) subsidiaries, amounts owing by associates, amounts owing by/(to) joint ventures, trade and other payables and bank borrowings, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(ii) Short term investments

The fair value of short term investments in Malaysia is determined by reference to the counter parties' quotes at the close of the business at the end of the reporting period.

39. FINANCIAL INSTRUMENTS (continued)

(c) Fair value hierarchy

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

Level 2 fair value measurements are those derived from 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).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables set out the financial instruments carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Fair value RM'000**	**Carrying amount RM'000**
2019					
Group					
Financial assets					
Short term investments	-	157	-	157	157

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity and cash flow risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

There have been no significant changes on the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

The Group's management reviews and agrees on policies managing each of the financial risks and they are summarised as follows:

(a) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly in SGD.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in SGD) amount to RM7,689,000 (2019: RM24,284,000).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Foreign currency exchange risk (continued)

A sensitivity analysis has been performed on the outstanding foreign currency denominated monetary items of the Group as at 31 March 2020/2019. If the SGD were strengthen or weaken by 1% against RM with all other variables held constant, the Group loss or profit before tax would change by RM184,000 (2019: RM733,000). The other currency is not presented as the impact would not affect profit or loss.

(b) Interest rate risk

Financial assets

Surplus funds are placed in fixed deposits with licensed banks and finance companies to earn interest income based on prevailing market rates. The Group manages its interest rate risks by placing such funds on short tenures of one (1) year or less.

The interest rate risk of deposits with licensed banks and amounts owing by subsidiaries have been disclosed in Notes 15 and 19 to the financial statements respectively.

Financial liabilities

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate borrowings. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The mix between fixed and floating rate borrowings is monitored so as to ensure that the Group's financing cost is kept at the lowest possible. The Group does not generally hedge interest rate risks. Hedging of risk through the use of financial instruments may be adopted should its use result in significant cost savings. The Group has a policy to ensure that interest rates obtained are competitive.

It is the Group's policy not to trade in interest rate swap agreements.

The interest rate risk of amount owing to subsidiaries and borrowings have been disclosed in Notes 15 and 23 to the financial statements respectively.

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group as at 31 March 2020/2019. If interest rate increase or decrease by 100 basis points with all other variable held constant, the Group loss or profit before tax would change by RM4,271,000 (2019: RM3,957,000), as a result of higher or lower interest expense on these borrowings.

(c) Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

In the case of property development activities, the Group's credit risk is primarily attributable to progress billings receivable from house buyers. The Group mitigates the risk of default by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self-financed portion of the purchase consideration and upon undertaking of end-financing by the purchaser's end-financier.

For other activities, the Group minimises and monitors its credit risk by dealing with credit worthy counterparties, setting credit limits on exposures, applying credit approval controls and obtaining collateral or security deposits where appropriate. Trade and financial receivables are monitored on an ongoing basis via group-wide management reporting procedures.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

With regard to surplus cash, the Group seeks to invest its cash assets safely by depositing them with licensed financial institutions.

As at the end of each reporting period, the credit risk exposure relating to trade receivables, other receivables, amount owing by an associate and amounts owing by joint ventures of the Group are summarised in the table below:

	2020 RM'000	2019 RM'000
Maximum exposure	70,010	89,430
Collateral obtained	-	-
Net exposure to credit risk	70,010	89,430

The Group does not have any significant concentration of credit risk to any individual customer or counterparty other than trade receivables, which constitutes 61.97% (2019: 67.51%) of total receivables as at the end of the reporting period.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Movements in the impairment allowance for receivables are as follows:

	Group	
Trade receivables	**2020 RM'000**	**2019 RM'000**
At 1 April 2019/2018	6,358	1,221
Effect of adoption of MFRS 9	-	181
	6,358	1,402
Charge for the financial year	4,324	4,956
At 31 March 2020/2019	10,682	6,358
Other receivables		
Lifetime ECL – not credit impaired		
At 1 April 2019/2018	1,319	471
Effect of adoption of MFRS 9	-	66
	1,319	537
Charge for the financial year	-	782
Reversal of impairment losses	(37)	-
At 31 March 2020/2019	1,282	1,319

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Movements in the impairment allowance for receivables are as follows: (continued)

	Group	
Contract assets	**2020 RM'000**	**2019 RM'000**
At 1 April 2019/2018	968	-
Effect of adoption of MFRS 9	-	760
	968	760
Charge for the financial year	-	208
Reversal of impairment losses	(373)	-
At 31 March 2020/2019	595	968

Amounts owing by associates
Lifetime ECL – not credit impaired

At 1 April 2019/2018	67	-
Effect of adoption of MFRS 9	-	93
	67	93
Reversal of impairment loss	(7)	(26)
At 31 March 2020/2019	60	67

Amounts owing by joint ventures
Lifetime ECL – not credit impaired

At 1 April 2019/2018	5	-
Effect of adoption of MFRS 9	-	6
	5	6
Charge for the financial year	3	-
Reversal of impairment loss	-	(1)
At 31 March 2020/2019	8	5

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Movements in the impairment allowance for receivables are as follows: (continued)

	Company	
Other receivables	**2020 RM'000**	**2019 RM'000**
Lifetime ECL – not credit impaired		
At 1 April 2019/2018	1	-
Effect of adoption of MFRS 9	-	7
	1	7
Reversal of impairment loss	-	(6)
At 31 March 2020/2019	1	1
Amounts owing by subsidiaries		
Lifetime ECL – not credit impaired		
At 1 April 2019/2018	2,005	208
Effect of adoption of MFRS 9	-	1,936
	2,005	2,144
Charge for the financial year	1,074	377
Reversal of impairment loss	-	(516)
At 31 March 2020/2019	3,079	2,005

(d) Liquidity and cash flow risks

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e., inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Besides maintaining an adequate current ratio, each business unit is required to submit cash flow projections to Group management on a monthly basis. Each unit must seek to ensure that projected cash inflows from operating and non-operating activities adequately cover funding requirements of operating and non-operating outflows. At a minimum, all projected net borrowings should be covered. Also, debt maturities are closely monitored to ensure that the Group is able to meet its obligations as they fall due.

Daily bank balances are prepared and any excess funds are invested in fixed deposits with licensed financial institutions at the most competitive interest rates obtainable.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on the contractual undiscounted cash flows.

Group	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2020				
Trade payables	101,491	-	-	101,491
Other payables and accruals	19,813	-	-	19,813
Bank borrowings	308,267	129,276	19,220	456,763
	429,571	129,276	19,220	578,067
2019				
Trade payables	71,353	-	-	71,353
Other payables and accruals	22,203	-	-	22,203
Amounts owing to joint ventures	2,970	-	-	2,970
Bank borrowings	289,258	105,612	43,838	438,708
	385,784	105,612	43,838	535,234
Company				
2020				
Other payables and accruals	698	-	-	698
Amounts owing to subsidiaries	5,946	-	-	5,946
Bank borrowings	55,628	11,571	4,120	71,319
	62,272	11,571	4,120	77,963
2019				
Other payables and accruals	914	-	-	914
Amounts owing to subsidiaries	4,104	-	-	4,104
Bank borrowings	55,444	10,515	6,572	72,531
	60,462	10,515	6,572	77,549

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain an optimal capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratios were as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total borrowings (Note 23)	427,093	412,959	66,250	68,750
Less: Cash and bank balances, net of pledged bank balances	(38,628)	(13,970)	(2,618)	(1,300)
Deposits, net of deposits pledged	(1,818)	(23,171)	-	-
Short term investments	-	(157)	-	-
Net debt	386,647	375,661	63,632	67,450
Total equity	836,458	849,018	557,914	559,678
Net debt	386,647	375,661	63,632	67,450
	1,223,105	1,224,679	621,546	627,128
Gearing ratio	32%	31%	10%	11%

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

Under the requirement to Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares, if any), and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

42. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into the recovery phase of the MCO until 31 August 2020.

The extent of the financial impact on the Group and the Company is difficult to assess at the date of authorisation of financial statements due to uncertainties arising from the pandemic. To mitigate its potential risks exposure, the Group and the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

43. FINANCIAL REPORTING UPDATES

43.1 IFRIC Agenda Decision - Over time transfer of constructed good (IAS 23)

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 Borrowing Costs and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

i. Any receivable and contract asset that the entity recognises is not a qualifying asset.
ii. Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 31 March 2022.

43.2 IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)

The IFRS Interpretations Committee ('IFRIC') issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 March 2020.

44. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 6 July 2020 by the Board of Directors.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 69 to 149 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Selma Enolil Binti Mustapha Khalil
Director

Teh Lip Kim
Director

Kuala Lumpur
6 July 2020

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Loong Ching Hong (CA 9449), being the officer primarily responsible for the financial management of Selangor Dredging Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 149 are, to the best of my knowledge and belief, 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 in Malaysia.

Subsribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur in the Federal Territory)
this 6 July 2020)

Loong Ching Hong

Before me:

No. W663
Baloo A/L T.Pichai
Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

AS AT 13 AUGUST 2020

Financial year ended	:	31 March 2020
Class of stock	:	Ordinary share
Voting rights	:	1 vote per share

ANALYSIS OF SHAREHOLDINGS AS AT 13 AUGUST 2020

	Number of Holders	Holdings	Total Holdings	%
	461	less than 100	7,428	0.00
	1,856	100 - 1,000	1,534,746	0.36
	4,263	1,001 - 10,000	18,719,821	4.39
	1,060	10,001 - 100,000	30,144,599	7.07
	157	100,001 to less than 5% of issued shares	124,404,016	29.19
	3	5% and above of issued shares	251,317,052	58.97
Total	7,800		426,127,662	100.00

DIRECTORS' SHAREHOLDINGS AS AT 13 AUGUST 2020

		No. of Shares			
	Name of Directors	Direct Holding	Percentage %	Indirect Holding	Percentage %
1.	Mr Eddy Chieng Ing Huong	-	-	-	-
2.	Ms Teh Lip Kim	87,428,596	20.52	170,638,756	40.04
3.	Dato' Christopher Chan Choun Sien	-	-	-	-
4.	Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40
5.	Puan Selma Enolil Binti Mustapha Khalil	-	-	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 13 AUGUST 2020

	Name of Shareholders	Direct Shareholding	Percentage %	Deened Interest	Percentage %
1.	Teh Wan Sang & Sons Sdn Bhd	98,258,478	23.06	-	-
2.	Teh Kien Toh Sdn Bhd	65,629,978	15.40	-	-
3.	Ms Teh Lip Kim	87,428,596	20.52	169,755,756	39.84
4.	HLB Nominees (Asing) Sdn Bhd Pledged Securities Account for Teh Lip Bin (CCTS)	2,000,000	0.47	163,888,456	38.46
5.	Ms Teh Lip Pink	425,000	0.10	65,629,978	15.40

LIST OF 30 LARGEST SHAREHOLDERS AS AT 13 AUGUST 2020

Name of shareholders	Shares held	%
1. Teh Lip Kim	87,428,596	20.52
2. Teh Wan Sang & Sons Sdn Bhd	61,040,527	14.32
3. Teh Kien Toh Sdn Bhd	37,900,748	8.89
4. Teh Wan Sang & Sons Sdn Berhad	37,217,951	8.73
5. Teh Kien Toh Sdn Berhad	27,729,230	6.51
6. Citigroup Nominees (Asing) Sdn Bhd Exempt An for Bank Of Singapore Limited (Foreign)	15,388,000	3.61
7 Citigroup Nominees (Asing) Sdn Bhd Exempt An For UBS AG Singapore (Foreign)	12,508,600	2.93
8. Wang, Kun-Lung	12,000,000	2.82
9. Teh Wan Sang & Sons Housing Development Sdn Bhd	5,867,300	1.38
10. Chan Keong Hon Sdn Bhd	5,725,580	1.34
11. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	3,367,889	0.77
12. CIMB Group Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Ltd (SFS)	3,094,000	0.73
13. Citigroup Nominees (Tempatan) Sdn Bhd Exempt An for Bank of Singapore Limited (Local)	2,776,000	0.65
14. Tan Poay Seng	2,244,200	0.53
15. Gan Teng Siew Realty Sdn Berhad	2,224,900	0.52
16. HLIB Nominees (Asing) Sdn Bhd Pledged Securities Account for Teh Lip Bin (CCTS)	2,000,000	0.47
17. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cho Chun Hong (E-BPJ/TDA)	1,760,500	0.41
18. Rengo Malay Estate Sdn Bhd	1,717,700	0.40
19. Teo Kwee Hock	1,662,100	0.39
20. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheam Heng Ming (E-KTN/RAU)	1,650,000	0.39
21. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Surinder Singh A/L Wassan Singh	1,570,000	0.37
22. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Chan Keong Hon Sdn Bhd (01-00600-000)	1,500,000	0.35
23. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loong Ching Hong (E-KLC)	1,497,800	0.35
24. Huang Phang Lye	1,485,700	0.35
25. HLIB Nominees (Asing) Sdn Bhd Pledged Securities Account for Teh Lip Ling (CCTS)	1,341,000	0.31
26. UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	1,284,400	0.30
27. Ng Poh Cheng	1,188,200	0.28
28. Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,183,457	0,28
29. Bidor Tahan Estates Sdn Bhd	1,000,000	0.23
30. Chinchoo Investment Sdn Berhad	1,000,000	0.23
	338,354,378	79.40

LIST OF MATERIAL PROPERTIES

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2020 (RM'000)	Date of last revaluation/ completion (Date of acquisition)
Hotel Maya Kuala Lumpur 138, Jalan Ampang 50450 Kuala Lumpur	Boutique urban resort hotel with 207 rooms and 447 parking bays	(419,696)	Freehold (N/A)	20	186,000	23 March 2018
HS(M) 31374 (PT 80704), HS(M) 31375 (PT 80705) and HS(M) 31376 (PT 80706) Tempat Kuyow, Mukim and Daerah Petaling, Negeri Selangor	Development land	807,067	Freehold (N/A)	-	80,000	(13 April 2015)
GM 268 (Lot 581) and GM 188 (Lot 582), Tempat 8th Mile Ulu Klang, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor	Development land	440,997	Freehold (N/A)	-	66,448	(26 January 2016)
Geran 43950 (Lot 52309), Geran 43951 (Lot 52310), Geran 43952 (Lot 52311) and Geran 43953 (Lot 52312), Mukim Kuala Lumpur, Dearah Kuala Lumpur, Negeri WP Kuala Lumpur	Development land	(250,371)	Freehold (N/A)	-	50,074	(24 Aug 2005)
PM 33 (Lot 1224), PM 24 (Lot 1234) and PM 235 (Lot 1235), Kampong Klang Gates Baru, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor.	Development land	385,767	Freehold (N/A)	-	34,500	(15 March 2012)
Geran No. Hakmilik 35127, Lot 289 Seksyen 2, Bandar Batu Ferringgi, Daerah Timor Laut, Negeri Pulau Pinang.	Development land	253,998	Freehold (N/A)	-	25,000	(18 September 2019)

Properties	Description	Land area/ (Built-up area) (Square feet)	Tenure (Expiry)	Age of building (Years)	Net book value as at 31.3.2020 (RM'000)	Date of last revaluation/ completion (Date of acquisition)
HS(M) 15095 (PT 18600) Jalan Klang Gates, Mukim of Hulu Kelang, Daerah Gombak, Negeri Selangor	Development land	244,201	Leasehold (expiring on 30 June 2115)	-	23,199	(8 February 2013)
Lot 333P of TS 5 25, Teo Hong Road, Singapore 088333	1 block of 3 storey office building	1,731	Freehold (N/A)	-	21,617 (SGD7,152)	31 March 2016
SqWhere, Dataran Prestij, Jalan Sungai Buloh, Seksyen U19, 40160 Shah Alam, Selangor	801 Car Park bays	(117,736)	Leasehold (expiring on 14 August 2111)	-	19,112	31 March 2020

SDB Selangor Dredging Berhad

Registration No.196201000105 (4624-U)

PROXY FORM

No of shares held

CDS Account No.																
			-				-									

I/We____

(full name as per NRIC/company name in block capitals)

NRIC/Company No. ____

(new and old NRIC Nos)

of____

(full address)

being a member/members of SELANGOR DREDGING BERHAD hereby appoint *the Chairman of the meeting or ______________________________NRIC No. ______________________________

(full name as per NRIC in block capitals) (new and old NRIC Nos)

of____

(full address)

or failing him_____________________________NRIC No. ______________________________

(full name as per NRIC in block capitals) (new and old NRIC Nos)

of____

(full address)

as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Fifty-Ninth Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at the Ballroom, Hotel Maya Kuala Lumpur, 138, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 29 September 2020 at 9.00 am and at any adjournment thereof, and to vote as indicated below:

NO.	RESOLUTION	FOR	AGAINST
1	Ordinary Resolution No.1		
2	Ordinary Resolution No.2		
3	Ordinary Resolution No.3		
4	Ordinary Resolution No.4		
5	Ordinary Resolution No.5		
6	Ordinary Resolution No.6		
7	Ordinary Resolution No.7		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

The proportions of *my/our shareholding to be represented by *my/our proxy/proxies are as follows:

First named Proxy	%
Second named Proxy	%
	%

In case of a vote taken by a show of hands, the First Proxy shall vote on *my/our behalf.

Dated this ________________ day of ______________ 2020.

____
Signature of Member(s)

*Delete whichever is not applicable

____
Telephone No./Handphone No.

Notes:

1. A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 59th AGM of the Company in person at the Broadcast Venue on the day of the meeting.

2. Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely in the 59th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at **https://tiih.online**.

3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds 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.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.

6. The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.

7. The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via TIIH Online at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

8. Only members whose names appear in the Record of Depositors on 22 September 2020 shall be entitled to participate in the 59th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.

9. To participate in the 59th AGM of the Company via RPV and appoint proxy/authorized representative, please follow the Procedures for RPV in the Administrative Guide.

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