TASCO
NYK GROUP COMPANY
TASCO Berhad 197401003124 (20218-T)

CONNECTED

COMMITTED

CREATIVE

# ANNUAL REPORT 2021

TRANSFORM 2025

Create Better Connections

Yusen Logistics

www.tasco.com.my

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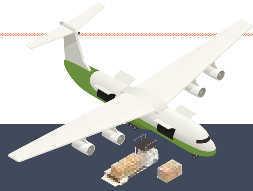
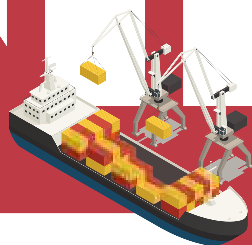


## Cautionary Statement With Regard To Forward - Looking Statements

Certain of the statements made in the Annual Report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which are valid only as of the date thereof. TASCO Berhad undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.



TASCO

Scan to download the PDF version of our report

# BRAND PROMISE

This is our brand promise. It describes what we aim to deliver time and time again

LET'S LIVE THE VALUES

## BE CONNECTED

Be open and transparent in the way you work - and make sure you truly understand your customers' challenges.

LET'S LIVE THE VALUES

## BE COMMITTED

Build relationship, show your dedication to quality - and get every detail right.

LET'S LIVE THE VALUES

## BE CREATIVE

Strive to develop better ways of working - then act on them and share them with colleagues.

LET'S KEEP OUR PROMISE

## CREATE BETTER CONNECTIONS

Get close to customers, work closely with colleagues - and help secure the future of our business.

# VISION

Our new vision describes our ultimate ambition for the future

**Connecting people, businesses & communities to a better future - through logistics**

# MISSION

This describes the business we need to become - and tells us what we must do to achieve our vision

**To become the world's preferred supply chain logistics company - applying insight, service quality and innovation to create sustainable growth for business and society**

# VALUE

We also have three values that inform our personality and behaviours. A rational one, an emotional one, and a more aspirational one designed to stretch us.

**Connected**

**Committed**

**Creative**

# ABOUT TASCO BERHAD ("TASCO")

TASCO was incorporated on 10 September 1974 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 December 2007. TASCO is a subsidiary of Yusen Logistics Co. Ltd., which in turn is a subsidiary of Nippon Yusen Kabushiki Kaisha.

TASCO has 26 logistics centres and 2,200 employees in Malaysia. It is a part of the global network of Yusen Logistics Co. Ltd having 595 locations and 23,544 employees worldwide as at 31 March 2021.

TASCO offers logistics solutions covering air, sea and land transportation. It serves as a one stop logistics centre to handle domestic and international shipments for the customers.

TASCO has categorised its services into International Logistics Solutions and Domestic Logistics Solutions.

TASCO

## CONTRACT LOGISTIC DIVISION

Customs Clearance
Haulage Transportation
Warehousing Services
Warehouse In-plant Services

GC

## COLD SUPPLY CHAIN DIVISION

Cold Supply Chain
Convenience Retail

HARIMAU EXPRESS

## TRUCKING DIVISION

Domestic Trucking
Cross Border Trucking

## OCEAN FREIGHT FORWARDING DIVISION

- Sea Freight Services
- Buyer Consolidation Services

## AIR FREIGHT FORWARDING DIVISION

- Air Freight Services

# ABOUT Nippon Yusen Kabushiki Kaisha ("NYK")

NYK is listed on the Tokyo Stock Exchange and Nagoya Stock Exchange;

NYK has 58,601 employees globally; and

NYK's major businesses consist of global logistics based on international marine transportation business, cruises, terminal and harbour transport, shipping-related services and real estate.

In October 2016, NYK, Kawasaki Kisen Kaisha ("K Line") and Mitsui O.S.K. Line ("MOL") have announced a joint venture agreement to form Ocean Network Express Pte Ltd ("ONE") with the shareholding of 38%, 31% and 31% respectively, to integrate their container shipping businesses. ONE has commenced services on 1 April 2018.


# ABOUT Yusen Logistics Co., Ltd. ("YLK")

YLK is a wholly-owned subsidiary of NYK and YLK shares were delisted from the Tokyo Stock Exchange on 29 January 2018;

YLK has 595 locations in 47 countries and 23,544 employees worldwide as at 31 March 2021;

YLK is one of the leading international air freight forwarders in Japan; and

Pursuant to a corporate exercise within the NYK Group, YLK became the immediate holding company of TASCO on 2 April 2012. NYK remains the ultimate holding company of TASCO.

# DOMESTIC NETWORK

## 26 LOGISTICS CENTRES & 2,200 EMPLOYEES in MALAYSIA


## CORPORATE HEAD OFFICE

Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia.

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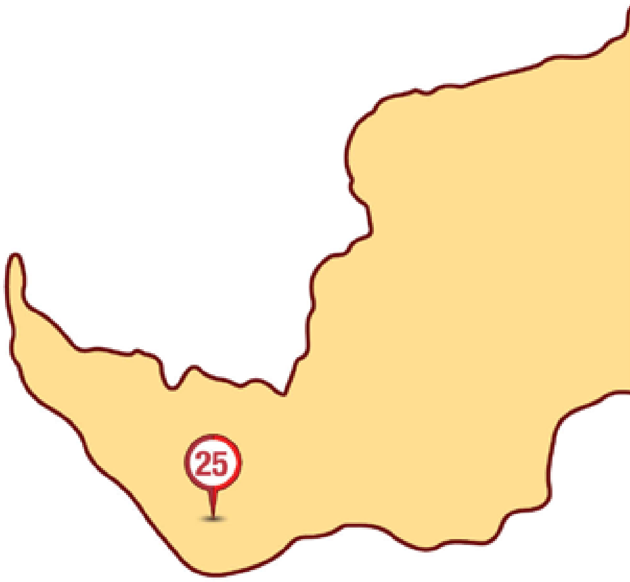
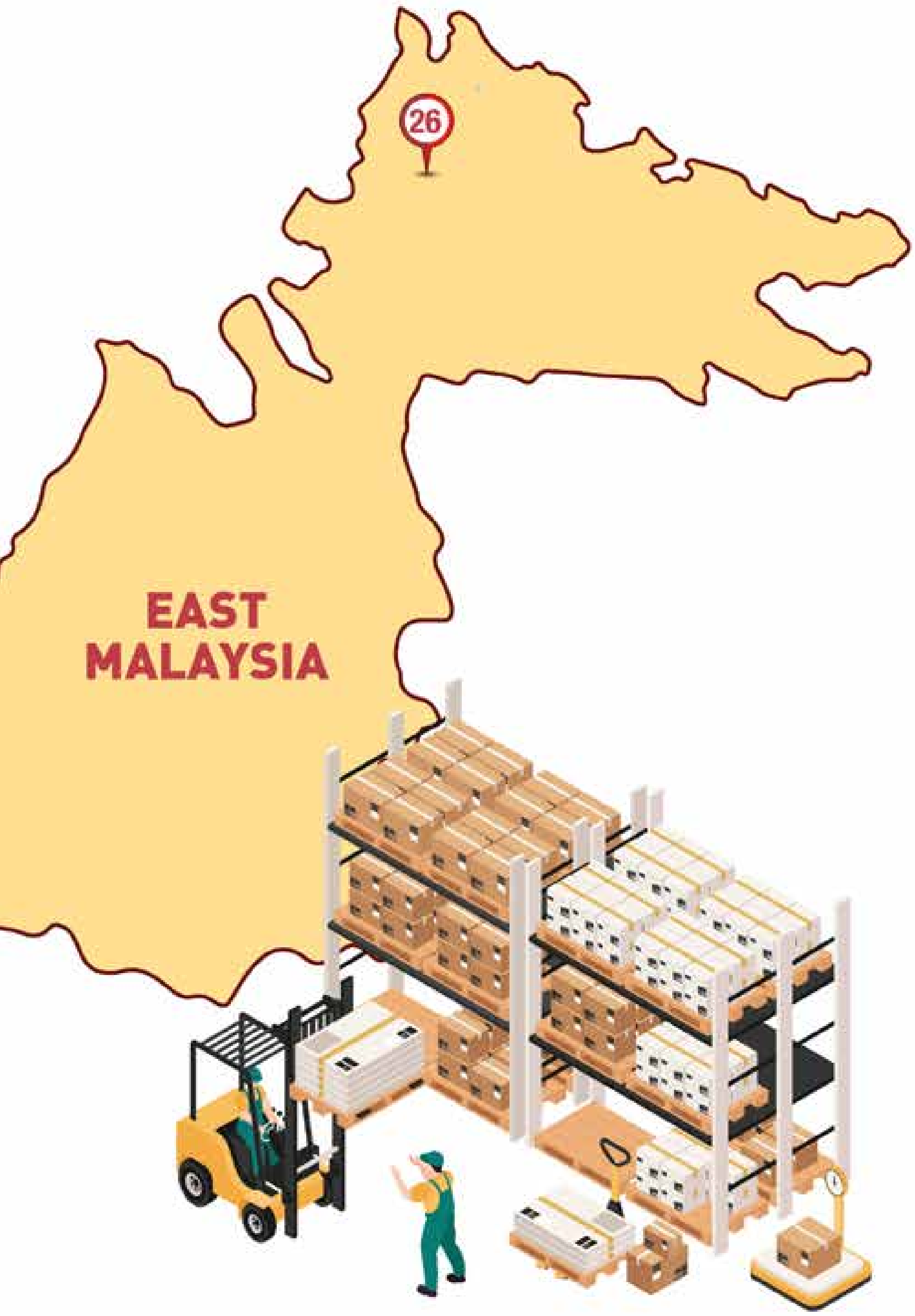


## DOMESTIC NETWORK




### PENINSULAR MALAYSIA

**NORTHERN REGION**

01. Penang Prai Logistics Centre
02. Penang Air Logistics Centre

**CENTRAL REGION**

03. Shah Alam Logistics Centre I
04. Shah Alam Logistics Centre II
05. Berjaya Industrial Logistics Centre
06. KLIA Air Logistics Centre
07. KLIA Distribution Centre
08. Ipoh Logistics Centre
09. Melaka Logistics Centre

**PORT KLANG REGION**

10. Port Klang Logistics Centre I
11. Port Klang Logistics Centre II
12. Port Klang Logistics Centre III
13. North Port Logistics Centre
14. Port Klang Container Depot
15. West Port Logistics Centre
16. Bukit Raja Logistics Centre

**BANGI REGION**

17. Bangi Logistics Centre I
18. Bangi Logistics Centre II
19. Bangi Logistics Centre III
20. Bangi Container Depot

**SOUTHERN REGION**

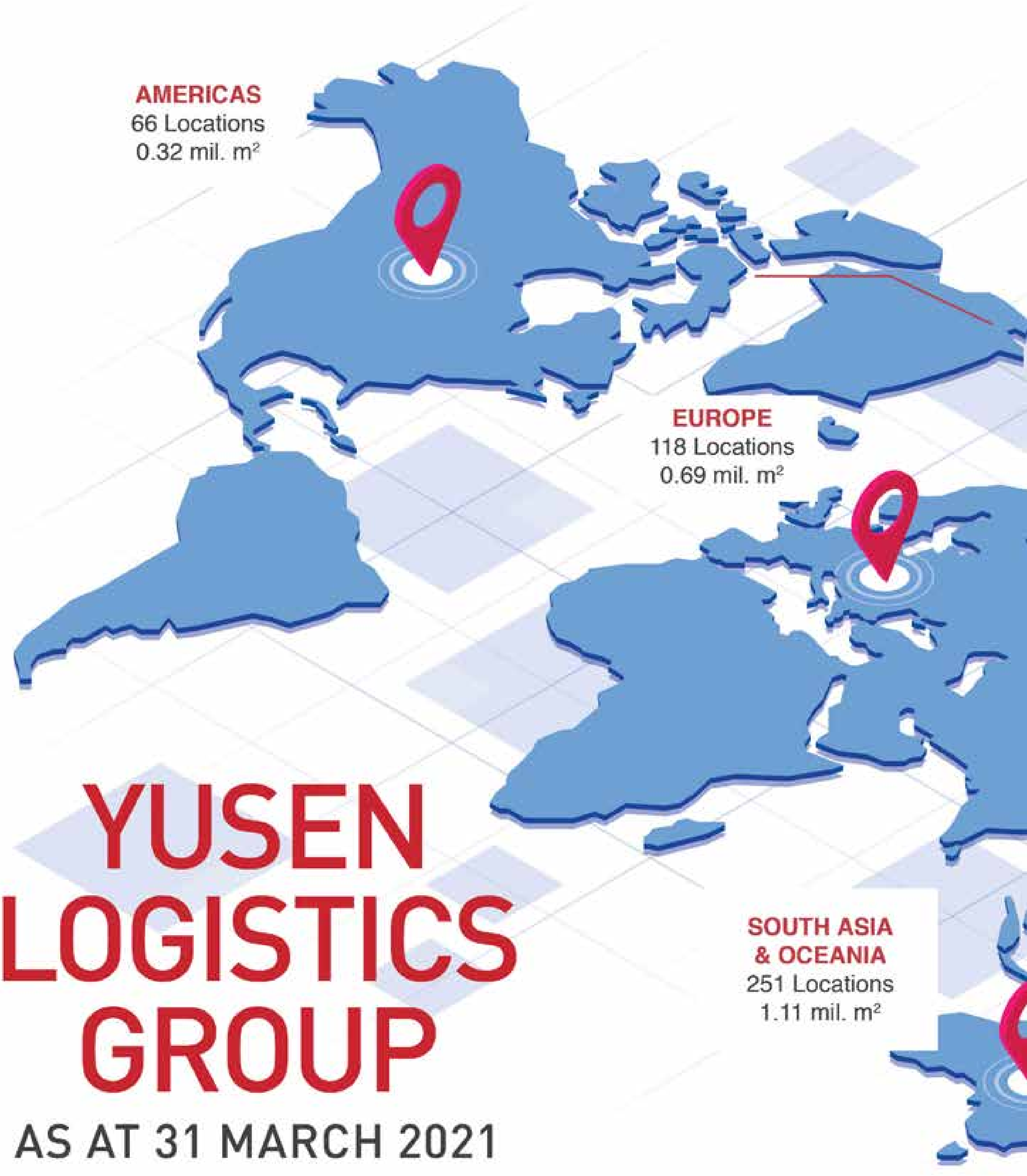
21. Pasir Gudang Logistics Centre
22. Tanjung Pelepas Logistics Centre
23. Senai Seelong Logistics Centre

**EAST COAST REGION**

24. Kuantan Port Logistics Centre

### EAST MALAYSIA

25. Kuching Logistics Centre
26. Kota Kinabalu Logistics Centre




# YUSEN LOGISTICS GROUP

AS AT 31 MARCH 2021

## YUSEN LOGISTICS GROUP
AS AT 31 MARCH 2021

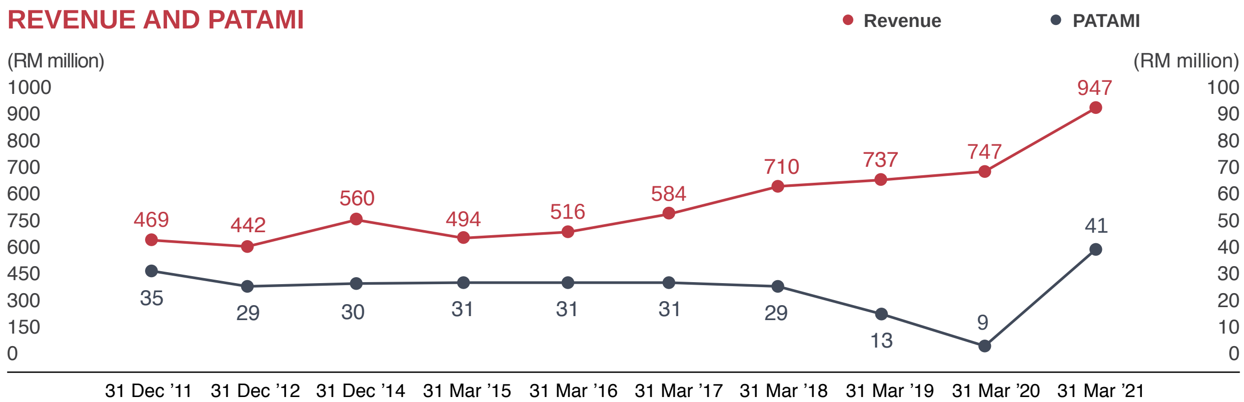

| Employees | Locations | Warehouse space |
|---|---|---|
| **23,544** | **595** | **2.58** million $m^2$ |

# CONSOLIDATED FINANCIAL HIGHLIGHTS

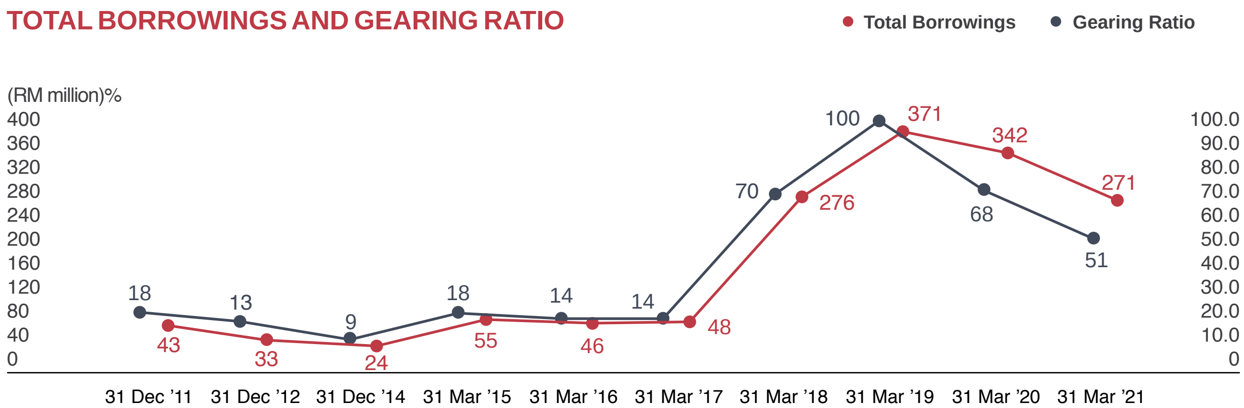
| Year/Period Ended | 31 Mar '21 | 31 Mar '20 | 31 Mar '19 | 31 Mar '18 |
|---|---|---|---|---|
| **Results of operation (RM'000)** | | | | |
| Revenue | 946,612 | 747,438 | 736,801 | 710,209 |
| PBTAMI | 58,294 | 19,583 | 18,342 | 41,744 |
| PATAMI | 41,274 | 8,891 | 13,063 | 29,399 |
| Capital expenditures | 40,970 | 9,672 | 143,301 | 24,137 |
| **Financial position at year/period end (RM'000)** | | | | |
| Share capital (ordinary shares) | 100,801 | 100,801 | 100,801 | 100,801 |
| Total assets | 961,026 | 949,409 | 859,206 | 748,396 |
| Cash and cash equivalents | 110,938 | 191,781 | 77,179 | 78,415 |
| Total liabilities | 424,455 | 449,151 | 486,312 | 384,687 |
| Total borrowings | 271,250 | 342,332 | 371,115 | 275,947 |
| Shareholder equity | 469,600 | 435,682 | 371,257 | 362,391 |
| **Amount per share (sen)** | | | | |
| Earnings per share[1] | 5.16 | 1.11 | 1.63 | 3.67 |
| Dividend per share (Annual)[1] | 1.50 | 0.25 | 0.31 | 0.56 |
| **Ratios (%)** | | | | |
| Shareholder equity ratio | 48.9 | 45.9 | 43.2 | 48.4 |
| Return on equity | 8.8 | 2.0 | 3.5 | 8.1 |
| Return on assets | 4.3 | 0.9 | 1.5 | 3.9 |
| Current ratio | 198.4 | 201.3 | 143.2 | 174.5 |
| Gearing ratio[2] | 50.5 | 68.4 | 99.5 | 69.6 |
| Dividend payout ratio | 33.9 | 45.0 | 38.3 | 30.6 |

Note:
[1] *Calculated based on 800,000,000 shares*
[2] *Calculated based on total debt divided by total equity (including non-controlling interest)*

## REVENUE AND PATAMI



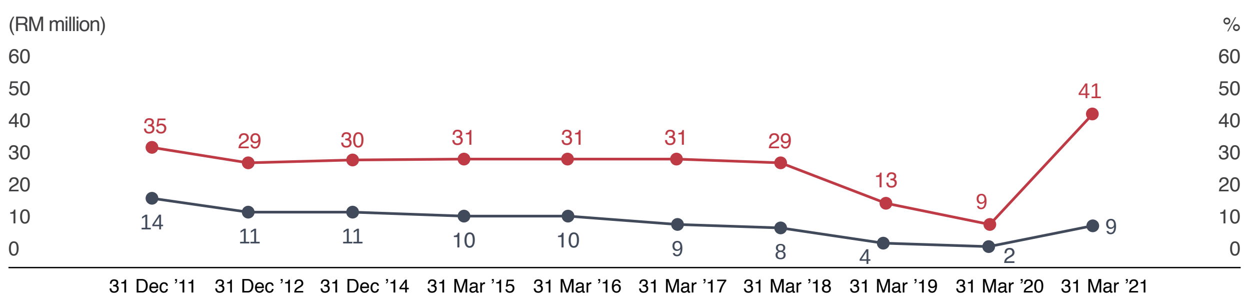

## TOTAL BORROWINGS AND GEARING RATIO



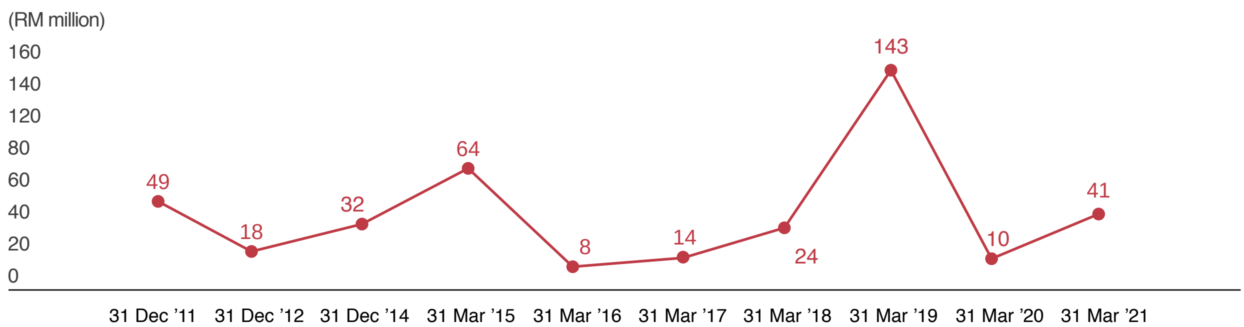
## CONSOLIDATED FINANCIAL HIGHLIGHTS

| 31 Mar '17 | 31 Mar '16 | 31 Mar '15 | 31 Dec '14 | 31 Dec '12 | 31 Dec '11 |
|---|---|---|---|---|---|
| 584,402 | 515,666 | 494,305 | 559,613 | 442,448 | 469,211 |
| 43,342 | 43,979 | 41,336 | 41,958 | 35,228 | 37,278 |
| 30,669 | 30,606 | 30,681 | 30,409 | 28,889 | 34,590 |
| 14,024 | 8,393 | 64,205 | 31,801 | 18,056 | 49,399 |
| 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 514,191 | 450,435 | 431,700 | 375,847 | 344,402 | 347,262 |
| 81,700 | 92,586 | 57,081 | 52,461 | 52,699 | 49,280 |
| 172,466 | 129,679 | 131,834 | 98,062 | 88,368 | 106,085 |
| 48,407 | 46,027 | 54,795 | 24,179 | 32,853 | 42,923 |
| 340,665 | 319,884 | 299,097 | 277,133 | 255,485 | 240,714 |
| 3.83 | 3.83 | 3.84 | 3.80 | 3.61 | 4.32 |
| 0.56 | 0.56 | 1.13 | 1.29 | 1.50 | 1.61 |
| 66.3 | 71.0 | 69.3 | 73.7 | 74.2 | 69.3 |
| 9.0 | 9.6 | 10.3 | 11.0 | 11.3 | 14.4 |
| 6.0 | 6.8 | 7.1 | 8.1 | 8.4 | 10.0 |
| 212.2 | 227.0 | 200.4 | 212.9 | 237.6 | 233.0 |
| 14.2 | 14.4 | 18.3 | 8.7 | 12.9 | 17.8 |
| 29.3 | 29.4 | 29.3 | 34.0 | 41.6 | 37.3 |

### PATAMI AND RETURN ON EQUITY




### CAPITAL EXPENDITURES



LEE CHECK POH — NON-INDEPENDENT EXECUTIVE CHAIRMAN

# CHAIRMAN'S STATEMENT

The year in review saw the TASCO Group reaping the fruit of its efforts even as it built upon the good momentum gained by its strategic ventures aimed at securing long term sustainable growth. Despite the volatility caused by the COVID-19 pandemic, the Group turned in a record-high performance.

**DEAR VALUED STAKEHOLDERS,**

On behalf of the Board of Directors, it is my pleasure and privilege to present to you the Annual Report and Audited Financial Statements of TASCO Berhad ("TASCO" or "the Group") for the financial year ended 31 March 2021 ("FYE 2021").

## A COMMENDABLE PERFORMANCE AMIDST CHALLENGING CONDITIONS

I am pleased to report that TASCO turned in a commendable performance registering record-high revenue and earnings for the year under review. This was despite the challenging operating conditions brought on by the COVID-19 pandemic which tested the resilience of our business model. At the same time, the Group's strategic investments to date, particularly on the Cold Supply Chain ("CSC") and Convenience Retail Logistics ("CRL") fronts, began to deliver steady returns in a more tangible manner which strengthened our overall performance in FYE 2021.

We are grateful that logistics services have been classified as essential services. This has enabled the Group to continue operating our business even during the painful but necessary phases of the Malaysian Government's Movement Control Order ("MCO"). However, despite having a record financial performance, the year in review did not get off to a smooth start. We experienced a decline in our performance in the first quarter of FYE 2021 primarily due to weak market conditions made worse by the closure of various economic sectors under the first MCO from 18 March to 3 May 2020.

Focused on stemming the tide of the pandemic and saving lives, MCO 1.0 had an adverse impact on lives, lifestyles and livelihoods to the point that the Malaysian economy contracted by 17.1 per cent in the second quarter of 2020 – the domestic economy's worst performance since the height of the Asian financial crisis in 1998. However, due to an improvement in external demand and the reopening of the domestic economy amid a more targeted approach to containment measures, the Malaysian economy began to see a gradual growth recovery in the second half of the year.

It was over this time (i.e., the second quarter of FYE 2021 onwards), that we began to recover growth momentum which culminated in a record-high year-on-year ("y-o-y") performance by the financial year's end. All in all, in spite of the many economic challenges as well as the various phases of the MCO imposed throughout 2020 and the early part of 2021, the Group garnered record revenue of RM946.6 million for FYE 31 March 2021 in comparison to RM747.4 million in the preceding year. This marked a commendable RM199.2 million (26.6 per cent) y-o-y increase in revenue. FYE 2021 also saw the Group's profit before taxation ("PBT") rise by a stellar RM40.1 million (194.6 per cent) y-o-y to RM60.7 million from RM20.6 million previously, while our profit after tax ("PAT") also rose dramatically by RM33.8 million (340.8 per cent) y-o-y to RM43.7 million from RM9.9 million previously.

This increase in our annual earnings and revenue was partly attributable to the good performance of our International Business Solutions ("IBS") segment encompassing both our Air Freight Forwarding ("AFF") and Ocean Freight Forwarding ("OFF") divisions, as well as the escalation in shipping rates that came on the back of the spike in pent-up demand for air freight and sea freight services coupled with reduced industry supply due to the COVID-19 pandemic. The commendable performance of our Domestic Business Solutions ("DBS") segment especially from the third quarter of FYE 2021 onwards also contributed to the good results.

The year's commendable performance was also attributable to the fact that the strategic investments that Group had been making over the years began to deliver steady returns. This was especially true of our expansion into the CSC segment (which deals mainly with F&B activities) as well as the CRL segment (that includes pharmaceutical retail) – both of which have stabilised and begun to pay off. The performance of these segments proved to be pivotal to our performance during the MCO period with demand in these segments remaining strong during the lockdown period. Although economic conditions continued to fluctuate and remain unpredictable over the course of the year, the Group was able to see its ventures bearing fruit.

For an overview of 2020's global and domestic economic performance as well as further insights into TASCO's financial and operational performance, please turn to the Management Discussion and Analysis section on pages 15 to 24 of this Annual Report.

## ONGOING SHAREHOLDER VALUE CREATION

As part of the Board's efforts to strengthen TASCO's financial position and satisfy the requirements of our business in a sustainable manner, we remain committed to weighing up the need to conserve the Group's capital against our desire to reward shareholders.

In January 2021, the Board proposed a share split of one existing ordinary share in TASCO into four subdivided shares. This share-split exercise sought to reward our existing shareholders for their continuous support, improve the liquidity of the Company's shares on the Main Market of Bursa Securities, and broaden our shareholder base. Following the share-split exercise that was completed on 12 March 2021, our issued share capital increased from 200 million shares to 800 million shares which are today listed and quoted on the Main Market of Bursa Securities.

In respect of FYE 31 March 2020, the Board rewarded shareholders for their continued support and confidence in TASCO via the payment of a single-tier dividend of 2.0 sen per ordinary share amounting to RM4.0 million on 27 July 2020.

In respect of FYE 31 March 2021, the Board of Directors paid shareholders an interim single-tier dividend of 2.0 sen per ordinary share amounting to RM4.0 million on 30 November 2020 and a final single-tier dividend of 1.25 sen per ordinary share on the enlarged issued share capital amounting to RM10.0 million on 3 June 2021.

Moving forward, the Board will continue to maintain the quantum of dividend at a fairly stable level. This will ensure that the Group is able to balance out its desire to reward shareholders with its focus on strengthening its cash position to support plans for future growth.

## KEY STRATEGIC DEVELOPMENTS

As the fight against COVID-19 continues, TASCO remains committed to doing its part to support the nation's logistics and retail sector through several strategic initiatives. As one of the leading logistics companies in Malaysia, we are focusing our efforts on delivering quality and value to customers in the market even through tough times and stagnant markets. During the various phases of the MCO, many businesses in Malaysia were forced to shut down their physical businesses. TASCO helped our customers push their products into the market via our e-commerce channels so they could continue to generate sales in spite of the lockdown. By being agile and adaptive, the Group ensured that our operations were still effective and relevant in the new normal. We also maximised our resources to support our customers and to strengthen long-term relationships with them. These measures, as well as our strong positioning as an essential services provider, helped us to quickly gain traction once again even as other sectors of the economy contended with the effects of the pandemic and ensuing lockdowns.

Over the course of the financial year, TASCO completed the sales and purchase agreement ("SPA") with Hai San Holdings Sdn Bhd (in liquidation) and Hai San & Sons Sdn Bhd (in liquidation) for the acquisition of seven parcels of leasehold industrial land and buildings for a total cash consideration of RM25.8 million. Located in Port Klang, the acquired land contains both cold and ambient warehousing facilities, reinforcing TASCO's position as one of the biggest cold chain operators in Malaysia.

The Group has also expanded its CSC business to East Malaysia via subsidiary Tasco Yusen Gold Cold Sdn Bhd's ("TYGC") joint acquisition of Hypercold Logistics Sdn Bhd ("Hypercold") with Swift Integrated Logistics Sdn Bhd. TYGC's 50 per cent stake in the Sabah-based cold chain logistics company was funded via internally generated funds. As the largest cold chain warehouse in Sabah, Hypercold boasts an operational track record of 10 years as well as a 3,000-pallet facility and seven temperature-controlled trucks. The acquisition of Hypercold, which was brought to a close on 16 June 2021, marks the Group's entry into the CSC sector in East Malaysia market and bodes well for the subsequent expansion of our offerings in this region.

Aside from our cold chain business, we will also continue to further secure our foothold in the dry and cold food retail logistics services as well as in the trading, e-commerce, and pharmaceutical segments.

In December 2020, TASCO entered into a non-binding Memorandum of Understanding ("MoU") with GD Express Carrier Berhad ("GDEX") to explore ways to share resources and jointly bid for projects that will tap the capabilities of both companies, particularly in relation to the last-mile logistics market. TASCO, thus far, has no intention to enter the last-mile logistics market, given that it is a highly competitive landscape with some 110 players in the mix. Under the MoU, TASCO will be given priority to leverage GDEX's last-mile fulfilment capabilities, while GDEX will have access to TASCO's international logistics network as well as our local CSC infrastructure and CRL network. There is also the potential for integration between our fulfilment solutions offering, namely e-Tower, and GDEX's online shipping platform, myGDEX. This will enable TASCO to focus on the inventory, warehousing and packaging for customers, while GDEX will handle the last-mile delivery of goods to the end user. As we are still exploring potential areas of cooperation, it is still early days for us to talk about any earnings contribution from this collaborative effort.

In support of Malaysia' s COVID-19 vaccination programme, the Group is partnering with MAB Kargo Sdn Bhd ("MASkargo") to facilitate a seamless logistics delivery service for customers involved in the production of COVID-19 vaccines. To date, we have received enquiries on vaccine transportation from potential customers locally and internationally and are in discussions with them. At the same time, other discussions to leverage on our joint collaboration with MASkargo are ongoing.

TASCO's plans for expansion over the next five years will be partly supported by the investment tax allowance ("ITA") incentive which was awarded to the Company by the Malaysian Investment Development Authority ("MIDA") in September 2020. The ITA is part of the Integrated Logistics Scheme ("ILS") which will grant the Company a second round of tax incentives for the purpose of carrying out integrated logistics services as part of an expansion project. With the ITA, the Company will be able to claim income tax exemption for up to 60 per cent of its qualifying capital expenditure incurred within five years and 70 per cent of statutory income for each year of assessment. MIDA's ITA was granted to the Company on the provision that TASCO makes additional investments of at least RM240 million in logistics-related capital expenditure over a period of five years. By leveraging the ILS, we will be able to fully implement our strategic roadmap for diversification while ensuring that we maintain a strong cash position.

We are encouraged by the good progress made to date amidst tough operating conditions. Moving forward, the Group is mindful of the need to deploy our business strategies in a prudent manner and to ensure stability through making the most of synergies in our current operations.

## RECOGNISED FOR UPHOLDING EXCELLENCE

The TASCO Group is committed to upholding excellence in all that we set our hands to and this is reflected in the awards and accolades that we continue to garner on several fronts since the publication of our 2020 Annual Report.

I am delighted to announce that TASCO Berhad was awarded the "SAO BD Award of the Year 2019" from Yusen in recognition of our outstanding business development budget commitment. We also received special recognition from British American Tobacco ("BAT") in the form of their "Best Support Through COVID-19 (Weathering the Storm with BAT)" award – a token of appreciation for our exceptional support of BAT amidst 2020's turbulent operating environment. Meanwhile, subsidiary TYGC went on to earn the "2020 Malaysia Temperature-Controlled Logistics Company of the Year Award" from Frost & Sullivan.

## RESPONSIBLE CORPORATE PRACTICES

The Board acknowledges that we have a responsibility to secure TASCO's future and to ensure sustainable value creation for our shareholders. To this end, our Board strictly observes high standards of corporate governance as well as the implementation of robust risk management and stringent internal control measures across our organisation. Through these fundamental measures, the Board aims to deliver consistent value to our shareholders, protect our corporate reputation and strengthen investor confidence. The Board also ensures that our sustainable business goals are translated throughout the scope of our operations through the prioritisation of efficient management and responsible development.

For more detailed insights into TASCO's commitment to responsible corporate practices, please refer to our Sustainability Statement on pages 26 to 34 of this report. By upholding the Group's sustainable progress, we are providing the impetus for our businesses to strengthen their operational efficiencies and deliver long-term growth.

## MOVING FORWARD INTO FYE 2022

As we move into FYE 2022, we are cautiously optimistic of our prospects even as the nation and the economy continue to battle the numerous effects of the COVID-19 pandemic. In April 2021, there was a surge in positive COVID-19 cases which saw the Malaysian Government implementing another full national lockdown in June 2021 (which is still largely in effect at the time of writing). While the economic climate has been challenging at best, however, with the recent accelerated rollout of the National Immunisation Programme ("NIP") and the fact that close to some 40 per cent of Malaysia's population have been fully vaccinated, this augurs well for us in terms of providing a way out of the pandemic as well as bolstering economic recovery.

Despite the uncertain economic backdrop, our first quarter results for FYE 2022 saw us announcing that both our IBS and DBS segments had registered y-o-y uplifted revenues and profits, reflecting the broad-based recovery of business activities amidst the COVID-19 pandemic. Barring any unforeseen developments, we are cautiously optimistic that the IBS and DBS businesses will continue to sustain their resilient performances for the rest of FYE 2022. Our business model has thus far been resilient in the face of the pandemic and we are confident that post-pandemic economic recovery too will augur well for TASCO as the logistics business thrives on economic activity and international trade. While we have to some extent managed to capitalise on pandemic-driven circumstances that have been in our favour, however, our business success is very much owing to our strong business fundamentals, the insightful strategies we have brought into play, as well as our prudent management practices. As we continue to leverage on all these, the Group will continue to work towards delivering another commendable performance that will serve to reinforce TASCO's stance as a reputable and profitable industry player.

Moving forward, TASCO will continue to exercise a prudent outlook in terms of venturing into new areas of opportunity. We will focus our efforts on ventures that will work well and make sense for our business at this point in time. We will also continue to closely monitor and improve our operational efficiency so as to keep our operational costs under control be these direct costs or other general operational overheads. By consolidating our resources, the Board aims to strengthen our market position as well as prepare the Group for any further uncertainties that the pandemic might pose. The Group will also continue to play its part in supporting the domestic economy through its numerous offerings and intuitive customer support measures. Through our innovative logistic solutions, we aim to help our customers thrive, even as businesses adjust to the new normal.

## IN APPRECIATION

On behalf of the Board of Directors, I would like to express my sincere appreciation to our management team and all TASCO employees. Your resilience, dedication and continuous efforts continue to be the driving force behind the success we have achieved thus far. My utmost gratitude also goes to the committed members of our Board of Directors whose astute insights and guidance helped us to achieve a record performance particularly amidst a turbulent year for so many other businesses. As we move forward together as a Group, I am confident that our united efforts will only serve to strengthen our role as a responsible and innovative industry leader.

My heartfelt gratitude also to our valued shareholders, regulatory authorities, customers, vendors, business partners and all our other stakeholders who continued to stand by us as we navigated a highly challenging year. As a Group, we look forward to your continued support as we set our sights on ensuring long-term value creation.

Finally, on behalf of the Group, I would like to extend our deep gratitude to all the frontliners who continue to dedicate their lives and make sacrifices on the country's behalf in our battle against COVID-19.

Thank you and stay safe everyone.

**Lee Check Poh**
Executive Chairman
16 August 2021

ANDY LEE WAN KAI

NON-INDEPENDENT GROUP CHIEF EXECUTIVE OFFICER

# MANAGEMENT DISCUSSION AND ANALYSIS

For the year in review, TASCO leverage the strategic investments that we had put in place on the Cold Chain Logistics and Convenience Retail Logistics fronts to drive business momentum and generate sustainable long term value creation. The performance of these segments, coupled with the strong performance of the International Business Solutions and the Domestic Business Solutions segments, as well as a pandemic induced escalation in shipping rates, helped the Group turn in a record performance.

**DEAR VALUED STAKEHOLDERS,**

For the financial year ended 31 March 2021 ("FYE 2021"), TASCO Berhad ("TASCO" or "the Group") achieved a record performance on the back of the good results garnered from our International Business Solutions segment as well as the commendable performance of our Domestic Business Solutions segment. On top of this, the strategic investments that the Group had made on the Cold Supply Chain and Convenience Retail Logistics fronts too began to deliver steady returns. All of these developments positively impacted TASCO's overall performance in FYE 2021. It is my privilege to present the finer details of the financial and operational performance of the TASCO Group for FYE 31 March 2021.

## CHALLENGING ECONOMIC CONDITIONS

In 2020, as a result of the economic disruptions caused by COVID-19 containment measures and heightened risk aversion, the global economy and global trade contracted by 3.5 per cent and 9.6 per cent respectively, marking the deepest peacetime recession since the Great Depression. In the second quarter of 2020 in particular, there was a steep decline in production activities across nations which led to weakened labour market conditions that weighed heavily on domestic demand, external trade and global growth. To prevent a deeper downturn, governments around the world implemented unprecedented global policy responses, including substantial fiscal stimuli, accommodative monetary policies and quantitative easing measures. Even as containment measures were gradually lifted in the second half of the year, global growth showed signs of recovery, albeit at an uneven and gradual pace.

The year 2020 saw the Malaysian economy contracting by 5.6 per cent, its lowest level since a 7.4 per cent contraction during 1998's Asian Financial Crisis. This was a consequence of broad-based weaknesses in exports, production and domestic demand stemming from adverse external spill-overs, as well as the rollout of stringent domestic containment measures that included the implementation of the various phases of the Malaysian Government's Movement Control Order ("MCO") to combat the pandemic. The greatest impact of these containment measures was felt in the second quarter of 2020 when Malaysia's GDP contracted by 17.1 per cent. It was only in the second half of 2020 that growth gradually improved, partly on the back of an improvement in external demand and the reopening of the domestic economy amid a more targeted approach to containment measures.

Malaysia's implementation of a comprehensive and complementary policy response to the crisis played a significant role in cushioning the economic impact of the pandemic on the domestic economy while supporting growth recovery. The year 2020 saw the Malaysian Government roll out a series of stimulus packages amounting to RM305 billion (approximately 20 per cent of Malaysia's GDP) to support the economy throughout the crisis. Providing immediate relief to households and businesses, these policy measures eased cash flow constraints and helped reduce job losses.

Against this challenging backdrop, essential service providers like TASCO continued to make the most of the opportunities that came our way, albeit in a prudent and measured manner.

## OUR BUSINESS

The TASCO Group comes under the ambit of Yusen Logistics Co. Ltd. ("YLK" or "Yusen"), one of the largest logistics companies in Japan and a subsidiary of Nippon Yusen Kabushiki Kaisha ("NYK"). As a subsidiary of Yusen, we have access to Yusen's global logistics network which boasts more than 58,000 employees in 595 locations worldwide. In Malaysia, our operations comprise 26 logistics centres and some 2,200 employees.

In our role as a total logistics solutions provider, we offer services ranging from warehouse and storage solutions to air, sea and land transportation solutions. We also offer domestic and international shipment solutions to customers at our one-stop logistics hub. The addition of trading and convenience retail logistics services as well as cold supply chain capabilities to the Group's range of offerings have helped reinforce TASCO's competitive edge as a holistic logistics provider within the industry.

Today, the Group has two core business segments, namely the International Business Solutions ("IBS") segment and Domestic Business Solutions ("DBS") segment.

The IBS segment encompasses the Air Freight Forwarding division (offering air freight services), and the Ocean Freight Forwarding division (covering sea freight and buyer consolidation services).

Meanwhile, the Group's DBS segment covers the Cold Supply Chain ("CSC") division, the Contract Logistics division (covering customs clearance, haulage transportation, warehousing and factory in-plant services), as well as the Trucking division (offering domestic trucking and cross-border trucking services). More recently, the Group ventured into the Convenience Retail Logistics ("CRL") business which comes under the ambit of subsidiary TASCO Yusen Gold Cold Sdn Bhd ("TYGC").

## OUR STRATEGIES FOR GROWTH

As one of Malaysia's key total logistics solutions providers, TASCO remains committed to exploring and implementing strategic initiatives that will strengthen our ability to deliver sustainable, long-term value to our stakeholders. We are focused on developing our various businesses so that they achieve and maintain their full capacity for sustainable growth and value creation.

To ensure we maintain our lead as a trusted provider of innovative logistics solutions in the markets that we operate in, we continue to expand our range of offerings, equip and upskill our workforce, as well as leverage technology and digitalisation to strengthen and upscale our operations. We also continue to carefully manage our existing resources through cost-cutting and operational efficiency initiatives.

Business diversification continues to be one of the Group's key strategies to ensure sustainable growth. Our strategy of diversification has seen us successfully expand our boundaries beyond our initial core business of factory logistics and traditional customer base of Japanese customers. At the forefront of the Group's diversification efforts are our ventures into the CSC and CRL businesses. With these ventures already demonstrating signs of stable growth, we will continue to focus our efforts on strengthening these ventures and bolstering our cash position. While we will still continue to explore new areas of opportunity, given this uncertain economic climate, we will adopt a prudent approach and focus on ventures that will complement our existing businesses and make good business sense all around.

### Expanding Our Cold Supply Chain Logistics Footprint

TASCO's venture into the CSC business in 2017 continues to strengthen our long-term prospects even as this business continues to exhibit a steady growth trajectory. Helmed by TYGC, the Group's cold chain segment currently serves a variety of customers which include manufacturers of foods and ice cream, quick service restaurants, as well as chilled fresh foods vendors involved in producing ready-to-eat ("RTE") and ready-to-cook ("RTC") foods. As the CSC business is proving to be a significant contributor to the Group's total revenue providing some 13 per cent of our revenue, we continue to invest in its expansion through the acquisition of proven cold supply chain players.

During the year in review, we completed a sales and purchase agreement with Hai San Holdings Sdn Bhd and Hai San & Sons Sdn Bhd (both in liquidation) for the acquisition of leasehold industrial land and buildings with cold and ambient warehousing facilities. This acquisition has expanded our CSC logistics capabilities as well as our holdings in Port Klang. To date, we have increased our 37,000-pallet cold room storage capacity to 56,000 pallets as well as grown our fleet of 170 trucks to 180 trucks, thereby cementing TASCO's position as one of the biggest cold chain operators on the domestic front. This growth in capacity has been mirrored by the increase in the uptake of tenancy at our cold storage facilities.

The financial year in review also marked TYGC's expansion into the East Malaysian market with the completion of its joint acquisition of Hypercold Logistics Sdn Bhd ("Hypercold") on 16 June 2021. Collaborating with Swift Integrated Logistics Sdn Bhd, TYGC today has a 50 per cent stake in the Sabah-based cold chain logistics company. With an operational history that spans a decade, Hypercold houses the largest cold chain warehouse facilities and capabilities in the state. This acquisition, which marks the Group's entry into the CSC sector of the East Malaysian market, also bodes well for the subsequent expansion of our offerings in the region.

The Yusen Group's plans to further expand its activities globally opens up opportunities for TASCO's CSC business and we will continue to tap into Yusen's global network to broaden our international prospects. Additionally, our partnership with the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development ("JOIN", a government-private sector-sponsored fund in Japan that specialises in overseas infrastructure investment), will help facilitate TYGC's entry into new markets.

Moving forward, the Group's CSC segment is set to provide a steady stream of revenue even as the demand for cold storage facilities continues to rise. With the ongoing pandemic and the resurgence of COVID-19 cases in Malaysia, the uncertain economic and market landscape has led many of our customers to seek out additional warehouse storage space for their buffer stock. In line with this, we will continue to enhance our CSC services in order to meet the market's needs.

Another avenue of opportunity has recently opened up to us. Today, we are undertaking logistics delivery services for customers involved in the production of COVID-19 vaccines via a collaboration with MAB Kargo Sdn Bhd ("MASkargo") aimed at facilitating a seamless logistics delivery service. TASCO was also instrumental in providing logistics services when Japan donated over 1.8 million doses of the AstraZeneca vaccine in July 2021 to further intensify the vaccination process under Malaysia's National Immunisation Programme or the NIP.

In support of the NIP that is currently being fast-tracked, we are also looking to play a more active role in the pharmaceutical logistics space. With a subsidiary of TYGC, namely Gold Cold Transport Sdn Bhd, having recently attained Good Distribution Practice or GDP (3rd Edition – 1st Jan 2018) certification, we are now in a position to undertake handling, storage, warehousing and transportation activities for prescription drugs and medicines. This augurs well for the TASCO Group's prospects over the near to long term.

**Bolstering Our Convenience Retail Logistics Capability**

In the past decade or so, the shift towards convenience food retail store networks has become more pronounced as urban consumers gravitate towards more efficient and modern one-stop locations that offer variety and convenience within their neighbourhoods. With neighbourhood convenience retail stores, petrol kiosks and F&B outlets evolving their retail offerings to capitalise on changing consumer needs, TASCO took the opportunity to venture into the Convenience Retail Logistics or CRL business in FYE 2018 to serve these business segments.

Today, our venture into the food retail trading business is being spearheaded by YLTC Sdn Bhd ("YLTC"), a joint venture company that the Group established together with Yee Lee Trading Co. Sdn Bhd, a wholly-owned subsidiary of Yee Lee Corporation Berhad. The company serves as a one-stop logistics provider that handles the entire process of restocking convenience retail outlets. YLTC's services include dealing with suppliers of goods on behalf of the dealers and owners of convenience retail outlets, as well as providing inventory management, warehousing and logistics. With TASCO providing contract logistics services, YLTC's clients are accorded access to our international network as well as regional coverage and the full spectrum of end-to-end solutions.

Our CRL customer base has grown beyond petrol kiosks, convenience stores, local independent supermarkets, hypermarkets and pharmacies and today we are slowly integrating more and more of the smaller traders or mom-and-pop stores into our portfolio. We are essentially serving the full spectrum of categories via our provision of one-stop integrated logistics and trading service solutions.

While the CRL business continued to make good inroads and expand its footprint in FYE 2020, unfortunately it lost its momentum in FYE 2021 even as the various phases of the MCO with their operational and interstate travel restrictions impacted this business. These restrictions culminated in lower footfall and stock movements at retail stores and petrol kiosks, which in turn affected our CRL business. On the other hand, CRL activities for supermarket chains and independent grocers remained brisk as the orders to stay at home meant more people were purchasing more grocery items to cook at home.

The restrictions on operational capacity during the MCO also delayed the Group's expansion into the Southern region. Despite a late start, this strategic move has since been completed. We have made good progress on our plans to automate our processes, particularly on the retail front, and today our extended premises in Johor features state-of-the-art conveyance and sorter systems.

As part of our aspiration to serve all of Peninsular Malaysia, we are looking to expand our operations into the Northern region. This will complete our food retail logistics storage and state-of-the-art sorting capability for all of the Peninsula and cement our strong position as a leading player in the CRL segment. This move is also expected to benefit the cold chain businesses under TYGC. As more retail players join the trend and realise the advantages of tapping TASCO's unique offering, we foresee that volume and ultimately profits for the CRL segment will pick up again.

Moving forward, we have plans to implement automation in our warehouses on the retail side throughout Peninsular Malaysia. Automation will help bolster the smooth running of our operations and enable the Group to extend our CRL services to the mom-and-pop store segment in a more tangible manner. Moving forward, as we work on adapting to shifting market conditions and evolving customer needs, we envisage a bright future for the CRL segment.

**Continuing to Explore Other Avenues of Opportunity**

One of TASCO's unique selling propositions to our customers, especially multinational companies, is our access to the Yusen Group's highly-connected global logistics network. The prospect of utilising this network for our customers' logistical needs is complemented by ready access to our global infrastructure of highly-skilled personnel that offer their expertise on end-to-end supply chain solutions. We will continue to leverage Yusen's network and complement it with our high standards and quality service offerings to ensure that we consistently deliver superior value to our customers.

While e-commerce activities were already on the rise among consumers prior to the outbreak of the pandemic, the ensuing global lockdowns in the first quarter of 2020 did much to push e-commerce to the forefront as the preferred retail option. Given that many businesses were unable to operate from their traditional brick-and-mortar set-ups, they quickly moved to adopt automation and digitalisation for their very survival. Even as traditional businesses jumped onto the digitalisation bandwagon in an accelerated manner and as all levels of society tapped e-commerce to buy and sell amidst the lockdowns, Malaysia's e-commerce market grew in an exponential manner.

Today, Malaysia is one of the fastest growing markets within ASEAN. A pre-pandemic report in 2019 highlighted that Malaysia's e-commerce market had tripled in size since 2015 and had exceeded USD3 billion in 2019. The forecast (then) was that the value of Malaysia's e-commerce transactions would reach USD11 billion in 2025. Today, as a growing number of people turn to online platforms to buy and sell amidst the movement restrictions, the volume of e-commerce transactions is potentially set to rise above these growth expectations.

Realising the part that digitalisation is playing in keeping people safe and the economy running, the Malaysian Government is doing its part to drive the nation's digital transformation through several measures. The Government's many digitalisation initiatives to date include the comprehensive five-year national digital infrastructure plan Jalinan Digital Negara or JENDELA; the Micro, Small and Medium Enterprises ("MSME") E- Commerce Campaign to help MSMEs migrate to online marketplaces; the launch of the MyDIGITAL initiative to anchor Malaysia's digital economy by 2030; and the establishment of the National eCommerce Council to drive the implementation of the National eCommerce Strategic Roadmap that aims to double Malaysia's e-commerce growth rate.

With one of the highest growth rates in e-commerce activities in ASEAN, Malaysia is beginning to attract more cross-border trade opportunities within the industry. This trend is only set to grow with the rollout of the Digital Free Trade Zone ("DFTZ") that is set to facilitate cross-border logistics in a more impactful manner.

In our role as a total logistics provider, TASCO is looking to tap into all these key developments including the Government's measures and DFTZ's regional infrastructure to help us fulfil our customers' growing e-commerce requirements.

We are also increasing our efforts on the Business-to-Business-to-Consumer or B2B2C front. The B2B2C segment serves to facilitate mutually beneficial relationships between suppliers of goods and services and online retailers. To this end, we will leverage Yusen's e-commerce platform which will enable us to push our customers' products to market.

Although TASCO's involvement in the e-commerce industry has revolved mostly around the area of warehouse logistics, we have recently entered into a collaborative venture with GD Express Carrier Berhad ("GDEX") that will see us providing support to the last-mile phase – the fastest growing segment of the e-commerce supply chain. Our collaboration with GDEX will see both parties exploring ways to share resources and jointly bid for projects, particularly in relation to the last-mile logistics market. While we ourselves have no plans thus far to enter the highly competitive last-mile logistics market, we will be given priority to leverage GDEX's last-mile fulfilment capabilities, while GDEX will be given access to our local CSC infrastructure and CRL network as well as international logistics network. There is also potential to integrate our fulfilment solutions e-Tower offering with the myGDEX online shipping platform. The details of this collaboration are still being worked out at this stage.

We are pleased to highlight that our plans for long-term growth, which involve the expansion of our current facilities, have been endorsed under the Malaysian Investment Development Authority's ("MIDA") Integrated Logistics Services ("ILS") incentive programme. The ILS initiative encourages logistics companies to enhance their operations so as to position themselves as regional hub service providers. Our expansion plans will see us investing not less than RM240 million over the next five years to expand our logistics capability, implement automated systems, as well as strengthen our base of IT logistics and logistics handling assets. Our expansion measures will also create more than 100 employment opportunities once implemented. Under the ILS initiative, we will be able to enjoy substantial income tax exemption incentives over a five-year period through the investment tax allowance or ITA offered under this scheme. All in all, the ILS will enable us to fully implement our strategic roadmap for diversification while ensuring that we retain a strong cash position.

**Ongoing Alignment with the Yusen Group's Roadmap**

As a subsidiary of the Yusen Group, TASCO's long-term strategies are guided by "Transform 2025", Yusen's vision and roadmap for the future. Transform 2025 ensures that all of the Yusen's diverse businesses continue to align and adapt their own roadmaps with Yusen's shared vision for the future. Transform 2025 also outlines the Group's code of business conduct which is upheld by all members of the Yusen family. In line with Yusen's roadmap for expansion, TASCO will continue to carefully develop our businesses in areas that will serve to cultivate long-term value creation and expand the spectrum of services that we offer to our customers.

In line with our efforts to create sustainable business value for customers, we continue to accord them a spread of offerings from Yusen's Supply Chain Solutions division. This offering combines technology and innovation to provide advanced global supply chain solutions including advanced tracking for every stage of the logistics supply chain, from procurement to delivery. Whether they require lead logistics or fourth-party logistics solutions, order management and control tower solutions, or IT solutions, customers can avail themselves of solutions at any stage of the logistics supply chain as well as track all connection points, from the start of the journey to the last mile. While the pandemic hampered the progress of this division to some extent, business has since resumed and it is making steady progress.

To date, Yusen has plans to connect its operations in Japan, Thailand and Malaysia together in a collaborative effort to develop a cold chain capability and network in the South Asian Ocean Region or SAOR. Yusen continues to focus its efforts on extending its operations and offerings throughout SAOR whilst taking pandemic restrictions into account. On our part, we continue to support Yusen's efforts to establish a cold chain network within the region by bolstering TYGC's capabilities as a cold chain logistics provider. As the only Malaysian company that is able to offer cold chain services at the international level by virtue of being able to tap its own international network, TYGC is strongly positioned to spearhead Yusen's strategic ambitions within SAOR as well as help TASCO extend its international footprint.

## OUR FINANCIAL PERFORMANCE

**Group and Segmental Revenue**

I am delighted to report that in spite of the many challenges that TASCO faced in the early part of the financial year in review, our teams rallied their resources resiliently to deliver our strongest performance to date. For FYE 31 March 2021, the Group registered RM946.6 million in revenue, marking an increase of RM199.2 million (26.6 per cent) year-on-year ("y-o-y") from the RM747.4 million in revenue recorded in the preceding financial year. The Domestics Business Solutions or DBS segment continued its revenue uptrend with an increase in revenue of RM32.0 million (6.3 per cent), from RM508.2 million to RM540.2 million y-o-y. In contrast to its decline in FYE 2020, revenue for the Group's International Business Solutions or IBS segment shot up by RM167.2 million (69.9 per cent) from RM239.2 million to RM406.4 million.

Although the first half of FYE 2021 saw a drop in the DBS segment's revenue due to the operational restrictions under the initial MCO, the segment recovered its momentum in the latter half of the year. The recovery in revenue was driven mostly by the segment's Contract Logistics ("CL") division which saw its revenue rise by RM31.4 million (10.1 per cent) y-o-y from RM311.0 million to RM342.5 million. This result was supported by the CL division's Custom Clearance business which registered a RM32.9 million (30.0 per cent) increase in revenue from RM109.6 million to RM142.6 million. This increase in revenue was largely attributable to business dealings with solar panel customers but partially offset by a drop in revenue in the project cargo sector.

The CL division's other businesses, namely, its Warehouse, In-plant and Haulage businesses recorded a marginal drop in revenue by RM1.3 million (1.1 per cent), RM0.08 million (0.4 per cent) and RM0.08 million (0.1 per cent) respectively. The decline in revenue from the Warehouse business was mainly due to a reduction in the volume of customers and business transactions in the areas of retail and shoe apparel, semiconductor, office equipment and medical devices.

The performance of the Cold Supply Chain or CSC division remained robust in FYE 2021, with the division recording an increase of RM8.5 million (7.2 per cent) y-o-y, from RM117.5 million to RM126.0 million. This result came on the back of increased contributions from the division's ice cream, consumer retail and poultry customers. In contrast, revenue from the Trucking division decreased by RM7.9 million (9.9 per cent) from RM79.7 million to RM71.8 million. This was largely due to the pandemic-induced decline in domestic deliveries particularly for electrical and electronic ("E&E"), fast moving consumer goods ("FMCG"), solar panels, chemical, tobacco and cigarettes and telecommunication customers as well as cross-border deliveries.

In FYE 2021, the Group's IBS segment registered a 69.9 per cent spike in revenue – a much welcome change from the slight decline it had experienced in the preceding year. The surge in revenue was driven by the segment's Air Freight Forwarding ("AFF") division which registered a dramatic increase of RM144.9 million (100.9 per cent) from RM143.7 million to RM288.6 million y-o-y. The significant improvement in revenue was largely influenced by the elevation of airfreight rates due to a reduced airfreight supply capacity amid the height of the global COVID-19 pandemic. Other contributing factors included the sea ports and global containers crisis in the third and fourth financial quarters of FYE 2021 as well as the division's newly-secured tender with an electronic customer.

The segment's Ocean Freight Forwarding ("OFF") division continued its revenue uptrend from the previous year, posting an increase of RM22.2 million (23.3 per cent) y-o-y from RM95.5 million to RM117.7 million. While the first half of FYE 2021 saw the OFF division experiencing a drop in revenue due to the pandemic and global slowdown which affected its shipment volume (especially over the course of the MCO lockdown), this decline was offset by a surge in revenue in the third quarter. This surge was the consequence of escalating sea freight rates due to the congestion at sea ports and the global container crisis as well as a newly secured contract with a rubber glove manufacturer.

**Group and Segmental Profits**

For FYE 2021, the Group's profit from operations rose from RM39.2 million by a commendable RM35.5 million (90.6 per cent) to RM74.8 million y-o-y. Accordingly, we registered a RM40.1 million (194.6 per cent) rise in profit before taxation ("PBT") y-o-y from RM20.6 million to RM60.7 million, while our profit after taxation ("PAT") for FYE 2021 surged RM33.8 million (340.8 per cent) y-o-y from RM9.9 million to RM43.7 million.

For FYE 2021, TASCO's DBS segment recorded a RM14.5 million (52.0 per cent) increase in PBT from RM27.8 million to RM42.3 million y-o-y. Within the DBS segment, the CL division recorded an increase in PBT of RM7.5 million (28.0 per cent), from RM26.9 million to RM34.4 million. Similarly, both the Warehouse and Haulage divisions recorded a rise in PBT by RM7.0 million and RM1.5 million respectively. PBT for the CSC division also increased from RM4.9 million to RM9.9 million, marking an increase of RM5.0 million (103.1 per cent).

In contrast, the segment's Custom Clearance and In-plant divisions reported a reduction in PBT by RM0.4 million and 0.6 million respectively. As for the Trucking division, despite reduced revenue, the division's PBT improved by RM1.9 million (48.5 per cent) lowering its loss of RM3.9 million previously to a loss of RM2.0 million y-o-y. This was largely attributable to a reduction in operating costs.

The IBS segment's PBT increased from RM7.1 million to RM25.6 million in FYE 2021, marking a significant rise of RM18.5 million (258.7 per cent) y-o-y. PBT from the AFF division also improved significantly by RM17.1 million (310.8 per cent), rising from RM5.5 million to RM22.6 million. Meanwhile, the OFF division's PBT rose by RM1.4 million (84.6 per cent), from RM1.6 million to RM3.0 million. The increase in PBT for both the AFF and OFF divisions came on the back of a hike in revenue and improved profit margins that arose from the profitable operating conditions mentioned above.

In addition to Group and segmental PBT, TASCO also reported a reduction of RM7.1 million (49.6 per cent) in non-operating costs and general expenses from its Support division. This achievement, which was largely attributable to reduced finance costs, professional fees and efficient cost control measures, was partially offset by an increase in unrealised foreign exchange losses.

**Gearing and Liquidity**

As at FYE 31 March 2021, our gross gearing dropped to 0.5 times in comparison to 0.7 times as at FYE 31 March 2020. Our financial position remains secure given our strong balance sheet. As at FYE 31 March 2021, we had in hand cash and cash equivalents amounting to some RM110.9 million (FYE 31 March 2020: RM191.8 million).

While TASCO is in a position to further increase its gearing and capitalise further on investment opportunities, we will continue to adopt a prudent and cautious approach towards further bank borrowings. Ideally, we want to stabilise and grow the Group's new cold chain ventures and contract logistics business.

## BUSINESS RISKS AND MITIGATION MEASURES

As the TASCO Group moves forward amidst the new normal, we acknowledge the various risks that may have a material effect on our operations, performance, financial condition and liquidity. To mitigate these anticipated and known risks, the Group has established several risk mitigation strategies which are outlined below as per Bursa Securities' disclosure requirements.

On the Operational Risk front, TASCO's risk management efforts are focused mostly on the various hazards that logistics players typically have to contend with. To reduce the potential loss of assets or customer cargo due to fire, all the Group's warehouses are required to follow a stringent fire safety inspection schedule while smoking is strictly prohibited at our facilities. We have also allocated specific storage spaces for highly flammable cargo and materials. Fire safety management at our warehouses is overseen by our warehouse and safety teams whose members are all trained in firefighting. Their duties include ensuring that our firefighting systems and equipment are properly maintained and that fire extinguishers are situated at their proper designated areas. As another means to safeguard our businesses, our customers have to agree to our standard trading terms which state that TASCO will not be held liable for any loss or damage to our customers' cargoes in the event of a fire.

One of our biggest Market/Business Risks is the potential loss of major customers and key accounts. To mitigate these risks, we are committed to fostering strong partnerships with our customers and to delivering above and beyond their expectations to ensure customer loyalty. The Group's efforts are guided by our customer progress reports which are provided by our director in charge of customer development. In line with the Group's business plan, our strategy for diversification is also applied to our customer base to ensure that we are not over-reliant on a single customer, industry or sector. To reduce the risk of an account producing losses, we work closely with our customers to manage their costs and to review the terms, conditions, validity and rates as well as make changes where necessary. In addition, accounts deemed at risk are monitored closely by our division head who is required to investigate them and provide a progress report.

Financial stability is vital to the Group's security and necessary for our growth. To diminish Financial Risks involving liquidity and cash flow risk (i.e., not having sufficient cash funding and credit facilities to operate our business and fulfil our financial commitments), we continue to roll out a host of proactive measures. These include our Head Office's efforts to centralise our cash management activities to ensure that better monitoring and control methods are in place. To safeguard our operating, investing and financing activities, all our business units are monitored to ensure that they constantly exhibit optimum levels of liquidity. Furthermore, each business unit is required to be in possession of cash-convertible assets which are reserved for emergency payments. We achieve this through our implementation of efficient working capital management (i.e., accounts receivable and accounts payable management). Given the nature of the Group's businesses, we are committed to exercising effective working capital management measures while also ensuring that sufficient credit lines have been established and reserved for our liquidity requirements.

With regard to Information/System Risk, we have implemented various measures to safeguard the Group's IT infrastructure from the risk of data loss due to improper data backup management or from server crashes due to viruses or potential cyber-attacks. To mitigate the potential of business data loss, we continue to leverage on RAID 5 hard disks and undertake daily backup of our data to tapes which are stored offsite. For added protection, all our production servers have been insured with next business day warranties. We are also carrying out continuous security assessments of the operating systems within our network to ensure these are kept updated and safe from external threats such as viruses and hackers. On top of this, we proactively ensure that up-to-date anti-virus solutions, high grade firewalls and secure network configurations are all in place.

The safety and wellbeing of our people remain at the forefront of our priorities. Since the beginning of the COVID-19 pandemic, TASCO has been fully committed to mitigating the risk of potential infections from COVID-19 at all our workspaces and warehouses. Our stringent COVID-19 standard operating procedures ("SOP's") are overseen by our MCO Committee and COVID-19 Committee who help to ensure that our operations remain compliant with the stringent regulations issued by the Ministry of Health. Today, all members of our workforce continue to strictly observe all SOPs which include ensuring proper sanitisation and contact tracing, enabling mandatory wearing of masks, practising social distancing, conducting meetings online, having separate teams with different shifts, as well as conducting daily temperature checks and making health declarations. The committees are also responsible for upholding the Group's business continuity plan and dealing with all risks related to business disruption caused by the pandemic. To offset any additional expenses incurred by the pandemic, the Group has rolled out various initiative to control and reduce costs. To date, we have not had to retrench any employees or implement employee pay cuts.

## OUTLOOK AND PROSPECTS

As TASCO ventures forth into FYE 2022, we do so with a cautious optimism. In its *World Economic Outlook* ("WEO") publication released in late July 2021, the International Monetary Fund ("IMF") projected that the global economy would grow at 6 per cent in 2021 and moderate to 4.9 per cent in 2022. This July global forecast is unchanged from the WEO's April 2021 forecast, but with offsetting revisions. While the July WEO marked down the prospects for emerging market and developing economies ("EMDEs") for 2021, especially for Emerging Asia, in contrast, the forecast for advanced economies has been revised upwards. These revisions underscore the pandemic-related developments and changes in policy support. Nevertheless, the IMF forecasts that the risks around the global baseline are closer to the downside. Slower-than-anticipated vaccine rollouts would allow the virus to mutate further. Moreover, financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double blow to EMDEs from degenerating pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

On the domestic front, Bank Negara Malaysia ("BNM"), had, in March 2021, initially projected a growth rate of between 6 per cent and 7.5 per cent for the Malaysian economy for 2021. However, with recent developments, particularly the imposition of another lockdown due to the dramatic resurgence of positive COVID-19 cases that began in mid-April 2021, BNM has lowered this initial projection to between 3 per cent and 4 per cent for 2021. The sudden spike in infections has raised concerns about the overall capacity of the nation's health system and the impact of the continuing cycle of opening and closing the economy on households and firms. The degree of impact to the economy is highly dependent on the stringency and duration of containment measures.

On a more optimistic note, the last two months or so have seen Malaysia's national immunisation initiative – the NIP – move at an accelerated pace with close to 40% of the population having been fully vaccinated. On top of this, continued allowances for essential economic sectors to operate and higher adaptability to remote work is expected to mitigate the impact of the movement restrictions. Going forward, the gradual relaxation of containment measures, alongside the rapid progress of the NIP and continued strength in external demand will provide support for the nation's growth recovery. The growth outlook, however, remains subject to significant downside risks, due mainly to factors that could lead to a delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery.

While many businesses have not been allowed to operate except for essential goods and services following the imposition of a full lockdown from 1 June 2021, thankfully F&B, E&E and other export-oriented industries deemed as essential during this period, have been allowed to operate. As such, the impact on TASCO's logistics business has, thus far, been quite well mitigated. In fact, our IBS and DBS segments continue to deliver resilient performances to date, continuing their good performance from the last two quarters of FYE 2021 and we are cautiously optimistic of their prospects.

Going forward, based on the current economic activity and outlook as well as the accelerated rollout of Malaysia's NIP, barring any unforeseen circumstances, we are cautiously confident of the performance of the Group for the remaining period up till the end of FYE 2022. Nevertheless, it is difficult to ascertain how things will definitively play out as we move forward in view of the evolving dynamics and challenge of the pandemic. We will continue to make the most of the opportunities that come our way, albeit in a cautious and prudent manner.

Recognising that our efforts and results are still subject to the risks posed by the COVID-19 pandemic and further potential lockdowns, we will continue to observe strict cost control measures on both the operational and direct cost fronts. We will thus set our sights on consolidating our operations to reduce costs, optimise our manpower and enhance the quality of our services. In that respect, we will leverage our ILS tax incentive granted by the Government in order to increase our logistics capacity in the near term. Our team remains committed to doing things better and in a more efficient and cost-effective manner while undertaking the necessary precautions to keep people safe.

In spite of uncertain economic conditions, some segments of the Malaysian economy are still expected to experience growth. The e-commerce segment for one is expected to continue on an uptrend and be one of the main drivers of Malaysia's economic growth particularly with the many supporting measures that the Government has set in place. The DFTZ and e-fulfilment centres are projected to boost cross-border e-commerce and increase international interest in Malaysia's burgeoning e-commerce market. This bodes well for the logistics industry as the growth in e-retailing businesses continues to drive both the warehousing and logistics sectors. It is estimated that the Malaysian logistics industry may need to increase the workforce by 41 per cent, from 393,000 workers in 2016 to 554,000 workers by 2022. Similarly, the international outlook for the logistics industry remains buoyant as demand for both airfreight and sea freight services continue to outstrip industry supply due to the backlog caused by the closure of international borders.

Moving forward, TASCO will continue to carefully monitor and adapt to the conditions of the markets that we operate in. Although market conditions may look favourable, we will adopt a cautious stance when considering any ventures into new areas of opportunity. Instead, we will focus our efforts on building up our capability in existing areas that will prove most beneficial to our progress.

As we stride forward amidst a highly competitive playing field, we will elevate our gameplan so that we remain relevant to the market and are able to strengthen our position among our target audiences. We are committed to remaining agile and adaptable to the fast-evolving global landscape and new market realities.

As we venture forth, we remain strongly committed to providing our customers with innovative logistics solutions and excellent service. To ensure our customers have access to all our services, we will leverage on our strategy of offering one seamless window to our customers. As we work hard to understand our customers' expectations, meet their needs for timely and safe delivery, and delight them in innovative ways, we are confident of reinforcing our position as a leading total logistics player and delivering good shareholder value in a responsible and sustainable manner.

Thank you and stay safe everyone.

**Andy Lee Wan Kai**
Group Chief Executive Officer
16 August 2021

# OUR RESPONSE TO THE COVID-19 PANDEMIC

The COVID-19 pandemic poses new challenges in business operations around the world. Many parts of the world are facing a resurgence of COVID-19 cases where it continues to upswing. Since the implementation of the First Movement Control Order ("MCO") until the recent total lockdown, which commenced from 1 June 2021, we are grateful that TASCO still allowed to operate as logistics services falls under essential services. To curb the spread of the COVID-19, the Group at all times adhered to the standard operating procedures ("SOP") and guidelines announced by the Government from time to time.

The Executive Committee of TASCO had on 18 March 2020 approved the formation of MCO Committee and COVID-19 Committee ("the Committees") to address the following issues:-

(1) to serve as a single window to communicate with staff, customers, suppliers, authorities and Yusen Group of Companies;
(2) to carry out best practices to mitigate related risks including planning, implementation, auditing and improvement of practices;
(3) to build business continuity plan in case adverse situation occurred; and
(4) to assist customers to resolve their supply chain constraint with the constant changing regulations.

To mitigate disruption to the operations, the MCO Committee and COVID-19 Committee ("the Committees") placed significant efforts to ensure the health and safety of our employees. Strict SOP and preventive measures have been implemented across the entire operations under the Group, including regular sanitisation of premises, mandatory usage of personal protective equipment such as face mask, mandatory temperature screening, hand sanitisation, maintaining good hygiene as well as practice strict social distancing. Health and travel declaration is required for all the visitors before entering the premises. As an employee awareness measure towards COVID-19, large banners are made visible at specific locations within the premises.

Apart from the regular sanitisation, the Committees ensures that once a confirmed case being reported the particular premise will undergo a thorough sanitisation and disinfestation. Any employee(s) who had direct contact with the infected person(s) will be sent for screening and to be placed under home quarantine until further appropriate medical clearance is obtained.

The implementation of team segregation and double-shift work (whereby there is a half-hour break in-between the shifts to prevent interaction between the workers from the first shift and second shift) ("the new working schedule") has been initiated at facilities and warehouses since the announcement of the First MCO, which commenced from 18 March 2020. Operations have resumed to full-force after the Government announced that the country moved into the Conditional MCO and Recovery MCO periods. However, the new working schedule kick-started again following the announcement of the Second MCO which commenced from 13 January 2021, through the recent Third MCO which commenced from 12 May 2021, and thereafter total lockdown from 1 June 2021.

As part of the preventive measures, the Management and identified personnel based in Shah Alam have gone through screenings on 19 May 2021 and 21 May 2021 in our Head Quarter as Shah Alam has become one of the reported hot spot of COVID-19 in the middle of May 2021.

The wellbeing of the employees, business partners and communities remained the top priority to us. The Committees work tirelessly in ensuring all the employees adapt to the new normal and follows strictly to the SOP and all other safety and precautionary measures undertaken by the Group.

The Management reviews the business continuity plans regularly to ensure it adapts to the pandemic and also requesting the operation teams and branches to response rapidly to meet the recommendations of government authorities and at the same time support those affected as much as possible. The Management has also expanded information sharing and collaboration across teams and branches to mitigate operations disruption.

As a responsible corporate citizen and in order to protect workplace safety and business continuity, our Company has determined that it is mandatory for all employees (except those with valid reasons) to be vaccinated against COVID-19. This is important as our company takes all necessary steps to ensure all employees' health and well-being. Vaccination is the primary way to put the pandemic behind us and to ensure our business continuity. As at 16 August 2021, 87% of employees have received their vaccination appointments and 39% of employees have completed 2 doses of vaccination.

## THE KEY PROJECTS TRANSFORMING THE COMPANY

Since the launch of the TRANSFORM 2021, each project below has already made substantial changes within our company, and they continue to advance under the leadership of our Global Headquarter. Together, these tasks are fundamental to improving our growth and profitability. We have also clearly defined our Vision, Mission and Values, and established our brand promise: Create Better Connections. It is these connections between us, our customers, and our communities that move us forward. Below you will see the changes that these projects have made over the years.

**01**
**Corporate Brand and Communications**
Launch the brand to the Company

**02**
**Project Bridge & AFF/OFF/PMG**
Efficiency improvement & enhance network visibility in the IFF business

**03**
**CLT 25 – Make it Double and Brand Franchising**
Achieve superior growth enhancing Our Brand Promise

**04**
**Global Supply Chain Solution**
Develop business model and supply chain solutions to create sustainable business values

**05**
**Sales & Marketing Transformation**
New business expansion

**06**
**HR Transformation**
Embedment of performance-driven and learning culture in organisation and people in the group

**07**
**Organisation Transformation**
Enhanced decision-making process by leaner organisation and key processes

**08**
**Headlight Management**
Better decision making through increased data visibility

## ABOUT THIS SUSTAINABILITY STATEMENT

This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide by Bursa Malaysia Securities Berhad.

The reporting period for this Sustainability Statement is from 1 April 2020 to 31 March 2021. It covers TASCO Berhad's sustainability initiatives and practices, community engagement and activities.

## SCOPE

This Sustainability Statement covers the operations of the Group in Malaysia, including 26 logistics centres throughout Malaysia.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors

↓

Executive Directors

↓

The Management Team

Our governance of sustainability comes from the top of our organisation. The Board has the ultimate responsibility to ensure sustainability is taken into account when setting the strategic direction of the company.

## STAKEHOLDERS ENGAGEMENT

The Company has identified key stakeholders who are impacted by or have the ability to influence the Company's operations and business. Engagement with the stakeholders will assist in better understanding on the sustainability expectations that allows the Company to make business decisions that promote a sustainability society in the future.

The Stakeholder Engagement Matrix below highlights the stakeholder engagement activities that we implemented during the financial year:

| Stakeholders | Area of Focus | Platforms and Tools Utilised |
|---|---|---|
| Shareholders / Investors Bankers / Media and Analyst | • Business directions<br>• Business performance<br>• Corporate development<br>• Prospect and Strategies<br>• Business risks<br>• Return on Investment | • Bursa announcements<br>• Corporate website<br>• Press conferences and media releases<br>• Annual General Meeting / Extraordinary General Meeting<br>• Quarterly Results<br>• Periodic engagements with equity analysts and fund managers |
| Government / Regulators | • Regulation and compliance<br>• Accuracy, transparency and disclosure | • Reports and policies<br>• Corporate website<br>• Site visits |
| Business Partners | • Business direction<br>• Knowledge sharing<br>• Safety procedures | • Meetings, briefings and workshops<br>• Participation in exhibitions |
| Customers | • Business direction<br>• Knowledge sharing<br>• Service culture | • Meetings<br>• Customer support centre<br>• Customers surveys |
| Employees | • Career development<br>• Welfare and benefits<br>• Working environment<br>• Training<br>• Job performance evaluation<br>• Employment equality | • Regular communications via email blasts, newsletter and memo<br>• Performance management system<br>• Training programme and briefings<br>• Employee activities and events<br>• Internal surveys<br>• Written policies and procedures |

| Stakeholders | Area of Focus | Platforms and Tools Utilised |
| --- | --- | --- |
| Local Communities | • Business opportunity<br>• Employment support<br>• Education and social assistance<br>• Social responsibility | • Engagement events and activities<br>• Education and development programmes |

The Company values the feedback from stakeholders, and thus all the departments continuously empowered to actively engage with stakeholders and take the necessary steps to address issues raised by stakeholders. The Company believe through active engagement with stakeholders, the Company will be able to stay updated with the issues and concerns of stakeholders.

**Material Matters**

The objective of the Group is to provide the facility of advanced and high-quality logistics services to maximise our corporate value through winning the trust of our clients and, ultimately, contributing to the advancement of the economy as a world-class global corporation.

To achieve our objective, our business activities must not only comply faithfully with the by-laws and regulations of each country, as well as international rules, and to be fair in-practice in conformity with social norms. At the same time, our business activities are founded on our human resources, the greatest asset of the Group. We believe that the betterment and enrichment of the capabilities of our manpower will lead to our growth as a truly global company. The Group also puts attention to the quality, environment, occupational safety & health and society.

The Group's Sustainability Statement 2021 remained its focuses on six (6) areas, defined as:-

| | |
| --- | --- |
| COMPLIANCE & GOVERNANCE | QUALITY |
| HUMAN RIGHTS | SAFETY & HEALTH |
| ENVIRONMENT | COMMUNITY |

## COMPLIANCE & GOVERNANCE

TASCO as a public listed company listed at the Main Market of Bursa Malaysia Securities Berhad, apart from the Listing Requirements of Bursa Malaysia, Malaysian Code on Corporate Governance 2017, the Companies Act 2016 and other rules and regulations from Malaysia regulatory bodies, the Group has set forth the Code of Conduct for all directors and employees belonging to the Group to observe and refer to for proper and ethical behaviour.

Our employee Code of Conduct clearly mandates compliance with various international laws governing our business and also mandates that we do not use corrupt or prohibited methods, such as entertainment and gifts to public officials domestically or internationally, and the Group's strong practice is to vigorously enforce that policy. To ensure our employees are aware of the Code of Conduct, our Group organises trainings on a periodic basis

**Full Compliance with the Antitrust Law**

We commit to comply with the Competition Act 2010 of Malaysia, and any other laws and regulations to maintain fair trade and competition in all countries where the Group operates. We will not engage in cartel behaviour, acts that impede free and fair competition nor any other act that may invite suspicious of such behaviour. We assure that we do not promote nor participate in any meetings to discuss matters that could lead to the restriction of fair competition in the market.

Upon dealing with business partners, we assure that we will not use our dominant bargaining position to delay or refuse payments, unjustly return or refuse acceptance of products or services of subcontractors.

In order to ensure our employees are fully aware of antitrust laws, our Group organises trainings on Antitrust Compliance on a periodic basis. The details of the Antitrust Compliance training are as follows:-

| Financial Year 2020 | | | Financial Year 2021 | | |
|---|---|---|---|---|---|
| Region | Month & Year | No. of Employees | Region | Month & Year | No. of Employees |
| Central Region | July 2019<br>February 2020 | 33<br>100 | All Region | March 2021 | 27 |

**Prohibition of Bribery**

The Group requires that our employees and our authorised agents who carry out our operations and our business partners observe the Malaysian Anti-Corruption Commission Act, the US Foreign Corrupt Practice Act, the UK Bribery Act, the Chinese Criminal Law and Anti-Injustice Law, Japan Unfair Competition Prevention Law and any other law which prohibits corrupt practices and bribery.

Domestically or internationally, against any public or private individuals, direct or indirectly, we will not provide, offer or promise to pay, nor will we accept, request or agree to receive any sort of bribe or similar transaction in order to gain unlawful benefit.

**Gift-giving and Entertainment**

The Group will not engage in gift-giving and business entertainment exceeding the norms of social etiquette in our relationship with our customers and business partners. Also, we shall not accept gifts, entertainment and etc., that may lead to personal gain.

**Prohibiting Conflict of Interest**

Except with the approval of the Company, individuals belonging to the Group will not serve as director, advisor, employee, agent, etc., for other business enterprises or organisations. We engage vendors in trade with fairness and impartiality and will not compromise the interests of the Company by promoting the interests of one individual, relatives, friends or acquaintances or designated organisations.

## QUALITY

The Group committed to delivering high quality and effective services that contributes to a better future for diversified needs and demands of our customers and society. This commitment is driven by our corporate mission to become the world's preferred supply chain logistics company, and by our values and behaviours under management initiatives.

### CERTIFICATION AND APPRECIATION AWARDS

In order to provide and maintain quality services to our customers, the Group fully committed in maintaining the following certified status:-

i. Major branches in the Group, Shah Alam Logistics Centre, KLIA Air Logistics Centre, Port Klang Logistics Centre I, Penang Air Logistics Centre, Penang Prai Logistics Centre and Berjaya Industrial Logistics Centre were accredited ISO 9001:2015.

ii. Berjaya Industrial Logistics Centre was accredited ISO 14001:2015 and Food Safety System Certification ISO 22000.

iii. West Port Logistics Centre was accredited Food Safety Management System ISO 22000.

iv. KLIA Air Logistics Centre is certified TAPA FSR (Facility Security Requirements) by the Transported Asset Protection Association ("TAPA").

v. Batu Maung Warehouse is certified TAPA FSR (Facility Security Requirements) by the Transported Asset Protection Association ("TAPA").

vi. Awarded by JAKIM HALAL certification by Department of Islamic Development Malaysia – has complied with Islamic Law & Malaysia Halal Standard for Transportation & Warehousing for Penang Prai Logistics Centre, Berjaya Industrial Logistics Centre and West Port Logistics Centre.

vii. Awarded with Good Distribution Practice in Medical Device (GDPMD) by TUV Nord Malaysia for two warehouses – Shah Alam Logistics Centre and Port Klang Logistics Centre I.

viii. Awarded with Good Distribution Practice by AGM Certification Sdn Bhd for Berjaya Industrial Logistics Centre.

As a testament to our commitment to provide quality services to our customers, we were presented with various quality and appreciation awards from our customers as well as from various authorities over the years. The following are the awards that the Group gained for the recent years:-

| | |
|---|---|
| **Year 2021** | |
| 16 March | Special recognition from British American Tobacco, "Best Support Through COVID-19" (Weathering The Storm with BAT) as a token of appreciation for our exceptional support during 2020. |
| **Year 2020** | |
| 22 October | TASCO Yusen Gold Cold Sdn Bhd has earned the 2020 Malaysia Temperature-Controlled Logistics Company of the Year Award from Frost & Sullivan. |
| 11 May | The Company was awarded SAO BD Awards of the Year 2019 in recognition of our outstanding BD budget commitment |
| **Year 2019** | |
| 15 March | Top Cargo Sales Award 2018 from Eva Air |
| 8 April | TASCO Yusen Gold Cold Sdn Bhd earned the 2019 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan |
| 12 April | A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASkargo through sales achievement in 2018 |
| 26 April | Top Agents Award from Korean Air Cargo |
| 26 June | Top Agency Sales Award FY2018/2019 from Singapore Airlines Cargo |
| 12 November | Highest Returns to Shareholders over the Three Years (Transportation & Logistics Category) by the Edge Centurion Club |
| 22 November | Performance Award from Roland Manufacturing Malaysia Sdn Bhd |
| **Year 2018** | |
| 20 January | "The Best Partnering Company Award" from the Association of Malaysian Hauliers |
| 10 April | TASCO Yusen Gold Cold Sdn Bhd earned the 2018 Malaysia Cold Chain Logistics Service Provider of the Year from Frost & Sullivan |

| Year 2018 | |
|---|---|
| 20 April | A Certificate of Appreciation received from MASKargo for the valuable contribution to the growth of MASkargo through sales achievement in 2017 |
| 8 August | Special Award for Long Term Partnership Award from Huawei |
| 7 December | Business Partner Appreciation Award from Panasonic Appliances Air-Conditioning Malaysia Sdn Bhd |
| 19 December | Top Cargo Sales Agent 2017/2018 by Thai Airways |
| **Year 2017** | |
| 17 June | 2016 Malaysia Domestic Logistics Service Provider of the Year from Frost & Sullivan |
| 10 July | Top Customer Appreciation Award 2016 from Air France – KLM |
| 14 July | "Special Recognition of Contribution to SONY operations in Malaysia" from SONY Asia Pacific Regional Logistics Office |
| 12 December | Yusen Logistics Co., Ltd (YLK) received the Best Professional Service Award from Renesas Electronics Corporation ("Renesas"). YLK has been selected for this prestigious award in recognition of the global activities that it has conducted in cooperation with Renesas. A major part of the operations is undertaken by TASCO, which has established a distribution centre inside the free commercial zone in Kuala Lumpur Airport exclusively for Renesas. |

The Group consistently work to find better ways of delivering our services and improving our quality to our customers through kaizen activities at every level of our business. We strive to achieve the highest performance standard and quality logistics operations to maintain customers' satisfaction and trust.

## TRAINING AND DEVELOPMENT

Recognising that human resources is an important asset and in line with our quality policy which include development of all our employees and maximise their potential to the greatest extend so that they may benefit by growing with the Group, yearly training needs analysis covering all levels of employee has been carried out and appropriate training programme provided on a continuous basis to increase their skills and knowledge.

During the financial year, the following training courses were attended by our employees:-

| Type of Training | Month & Year | No. of Employee |
|---|---|---|
| Project D : Development Training | July 2020<br>September 2020 | 20<br>20 |
| Impulse II Training | August 2020 | 16 |
| Manhattan SCALE System Training | September 2020 | 21 |
| FMM Seminar on Facilitating Seamless Import & Export Clearance using the Right Customs Facilities | September 2020 | 2 |
| Developing Asp. Net Core MVC Web Applications | October 2020 | 2 |
| Violations of the Companies Act 2016 : Oversights by Directors and Secretaries | November 2020 | 1 |
| Annual Governance Conference 2020 | December 2020 | 1 |
| Current Secretarial Practice Issues (COVID-19 Pandemic) | December 2020 | 1 |
| Kursus Professional Eksekutif Halal | December 2020 | 1 |
| Email Etiquette Training (Southern) | January 2021 | 12 |
| Essential Secretarial Practice : Module 2 – Meetings, Minutes and Resolutions | March 2021 | 1 |
| Board Evaluation and Succession Planning | March 2021 | 1 |

## HUMAN RIGHTS

The Group respects international norms on human rights and will not engage in acts that violate human rights and the dignity of the private individual in any of our business activities and we also respect the rights of all persons and will not engage in discrimination action or make discriminatory remarks based on gender, age, nationality, ethnicity, creed, religion, occupation, social status, appearance, illness or disability.

We will not engage in libellous or slanderous acts that violate human dignity, abusive acts that may be regarded as harassment or any other act that may be misinterpreted as harassment, without any exception.

We will pay due attention to the social responsibility of business corporations and will not allow forced labour or child labour nor conduct trade with business enterprises engaged in such acts.

We will observe labour contracts and other agreements with attention to the protection of the rights of workers established in international treaties and in laws and regulations of each country or region.

## SAFETY & HEALTH

Maintenance of a safe and healthy working environment is one of the priorities for the Group. Our Group is engaged in keeping the working environment comfortable for workers by actively conducting measures that maintain and promote the sound physical and mental health of workers.

The Group had established a Safety Committee to formulate policies, action plans, and budgets for the implementation of road and work place safety programme. The Group is committed to Safety, Health and Environment excellence to all employees, customers, contractors and public in all its business activities wherever it operates.

To achieve the above, the Group shall:-

- Take appropriate practicable measures to prevent and eliminate the risk of injuries, occupational illness and damage to properties.
- Take proactive steps towards conservation of the environment.
- Ensure commitments from all employees and all levels of management.
- Provide the necessary resources and organisation, and where appropriate, engage with key stakeholders on relevant Safety, Health and Environment matters.
- Ensure that appropriate contingency measures are in place to deal with emergencies.
- Furnish necessary information, training and support and provide a healthy and safe working environment.
- Comply with relevant Safety, Health and Environment legislations and others requirements.

Meetings were held by the Safety Committee to tackle material safety issues at work place and audits were conducted to ensure that safety policies and guidelines were being followed. On 15 July 2020, our Head Quarter launched a Safety Champaign with the title – “Warehouse and Transport Safety Campaign”. A series of safety trainings programme were conducted at branches and warehouses aimed at creating awareness and to promote safety among the employees and the customers. For the financial year under review, more focus has been put on safety in warehouse and transport operations.

The following includes some of the activities that have been carried out:

**a) Occupational Safety and Health**

During the financial year, one of our employee attended the Dangerous Goods Regulations (Refresher) training.

The firefighting systems and back-up generators of our major warehouses were inspected periodically by external fire contractors to ensure that they are in good operational condition. The hazardous areas in our major warehouses and offices were identified, updated, mapped and displayed in the buildings.

**b) Driver Defensive & Safety Training**

Defensive driving is essentially driving in a manner that utilises safe driving strategies to enables drivers to address identified hazards in a predictable manner. Trainings assist in improving drivers' driving skills by reducing their driving risks by anticipating situations, making safe well-informed decisions and also gained knowledge on fuel efficient driving techniques. Attendance of our drivers for the defensive driving and other related trainings are as follows:-

| Type of Training | Month & Year | No. of Employee |
|---|---|---|
| Driver Familiarization Training (HINO) | June 2020<br>December 2020 | 63 |
| Hamzat Transport Driver Permit (HTDP) Course | July 2020 | 1 |

**c) Certification of Forklift Operators**

A forklift is a powerful tool that allows the movement and storage of product and materials efficiently and safely, provided that the employer provides the correct equipment and properly trains its operators. Each year forklift accidents result in the loss of life, significant personal injuries and damages to products and property. Most forklift accidents are the result of driver error. Therefore management has emphasized that all forklift driver must be trained and certified. During the financial year under review, the trainings attended are as follows:-

| Type of Training | Month & Year | No. of Employee |
|---|---|---|
| Forklift Driver New Certificate Training | June 2020<br>August 2020<br>September 2020 | 9<br>10<br>13 |
| Forklift Training by UMW | July 2020 | 6 |

## ENVIRONMENT

The Group is also committed to environmental protection and stewardship. The Group recognises that pollution prevention, biodiversity and resource conservation are keys to a sustainable environment and will effectively integrate these concepts into our business decision-making.

The following are being carried out:-

| |
|---|
| Recycling of waste is conducted at all major warehouses and offices. |
| Reduce emissions by our vehicle fleet maintenance programme and through the purchase of new trucks that have EURO engine specifications to lower smoke emission levels. |
| Use of battery operated handling equipment and gas powered forklifts to reduce noise and pollution. |
| Use of LED lightings thereby reducing heat and chemical emission. |
| Use or purchase of office equipment with energy saving features. |
| Maintaining only minimum lightings and air conditionings during lunch hour. |
| Plan journeys effectively and encourage drivers to drive safely and efficiently to reduce fuel costs and improve the environmental and safety performance. |
| New warehouses are designed to take maximum advantage of natural lighting. |
| Existing warehouses gradually switching from halogen high bay lights to LED high bay lights. |

| |
|---|
| Assess the water effluent discharged that flows from the premises directly into the main sewer network. |
| Assess the noise levels around the logistics centre as a requirement of an ISO 14001 Environmental Management System. |
| Rainwater harvesting and intelligent condenser water treatment. |
| Use of anhydrous ammonia plant room refrigeration system. |
| Use R-404A HFC blend truck refrigeration system. |

## COMMUNITY

**Internship Programme**

The Group continuously accepts students from higher institutes of education into our internship training programme as part of our commitment to the community. The objective of our internship programme is to provide students with exposure to real work experiences that will provide them with opportunities to explore their interests and develop professional skills and competencies.

During the financial year, the Group has taken in students into its internship programme from Tunku Abdul Rahman University College, Universiti Teknologi Mara, Universiti Kuala Lumpur, Universiti Utara Malaysia, Management & Science University, Politeknik Metro, Universiti Malaysia Kelantan, Wawasan Open University, Taylor's University, Universiti Tenaga Nasional, Unitar International University and Megatech International College.

The Group accepted 68 students from various institutes of higher education into its internship programme in previous financial year. Whereas for the financial year under review, the group accepted 38 students into its internship programme.

**Donation**

As a part of our company Corporate Social Responsibility activities, we have annually held a collection among our staff to be donated to orphanage homes and old folks homes during the fasting month. Our Company also contributed to the collection fund. For the financial year, our staff visited Rumah Anak-anak Yatim dan Asnaf As-Solihin Kanchong Darat and a total of RM5,000 has been donated to the abovementioned entity.

In late 2020 and early 2021 several states in Malaysia were flooded. The floods affected part of Peninsula Malaysia, Pahang and Johor are the states most severely affected by the floods at that time. Mersing is 1 of the town in Johor that being affected. In early January 2021 reporting that over 500 victims were affected and placed at temporary relief centres. The Company donated dried foods of approximately RM5,256 to Pertubuhan Kebajikan Ikatan Anak Mersing, a charitable organisation in Mersing town.

## MOVING FORWARD

As a conscientious corporate citizen, the group genuinely committed to balancing out our good economic performance with responsible Environment and Social consideration. Even as we focus our efforts on delivering a sustainable performance on the Economic, Environmental and Social fronts, we will work hard to ensure that the notion of sustainability becomes embedded within our working culture in a more prominent manner.

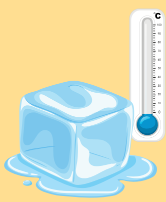
# THE SECRETS TO OUR SUCCESS

"...are to focus on the 10 Basic Core Fundamentals that we have built and developed throughout the years. We realised the importance of these fundamentals and we will continue to leverage on these core fundamentals to strengthen our market position and to enhance our shareholders' values..."

## 10 BASIC CORE FUNDAMENTALS

1. **CAPABLE PEOPLE**
2. **COMPETITVE PRICING**
3. **FLEXIBLE RESOURCES**
4. **QUALITY SERVICES**
5. **RELIABLE BRANDINGS**
6. **ADVANCED IT SYSTEMS**
7. **EXTENSIVE NETWORKS**
8. **CUSTOMISED SERVICES**
9. **INNOVATIVE SOLUTIONS**
10. **INTEGRATION SERVICES**

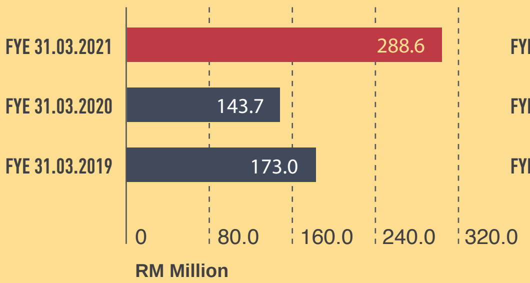
# BUSINESS AT A GLANCE

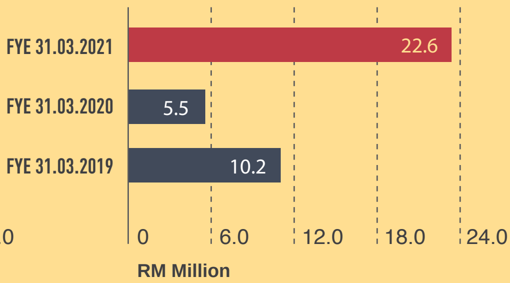
| | | REVENUE RATIO FYE 31.03.2021 | REVENUE FYE 31.03.2021 |
|---|---|---|---|
|  | **AIR FREIGHT FORWARDING**<br>√ Air Freight Services | 31% | **RM288.6 million** |
|  | **OCEAN FREIGHT FORWARDING DIVISION**<br>√ Sea Freight Services<br>√ Buyer Consolidation Services | 12% | **RM117.8 million** |
|  | **CONTRACT LOGISTICS DIVISION**<br>√ Customs Clearance<br>√ Haulage Transportation<br>√ Warehousing Services<br>√ Warehouse In-plant Services | 36% | **RM342.5 million** |
|  | **TRUCKING DIVISION**<br>√ Domestic Trucking<br>√ Cross Border Trucking | 8% | **RM71.8 million** |
|  | **COLD SUPPLY CHAIN DIVISION**<br>√ Cold Supply Chain<br>√ Convenience Retail | 13% | **RM126.0 million** |

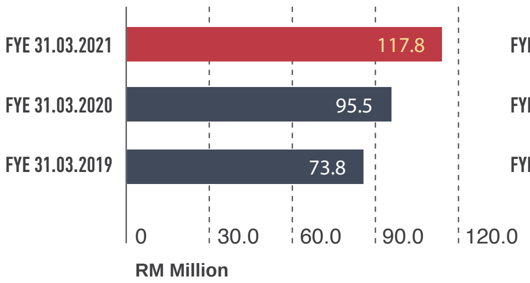
# BUSINESS AT A GLANCE

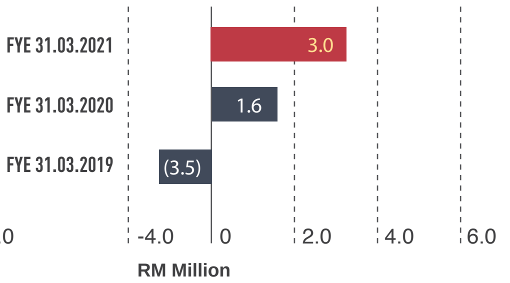
## REVENUE (MILLION RM)

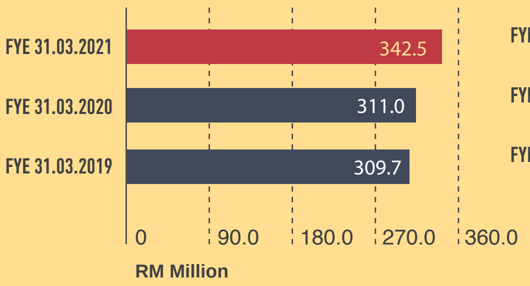
## PROFITS FROM OPERATIONS (MILLION RM)

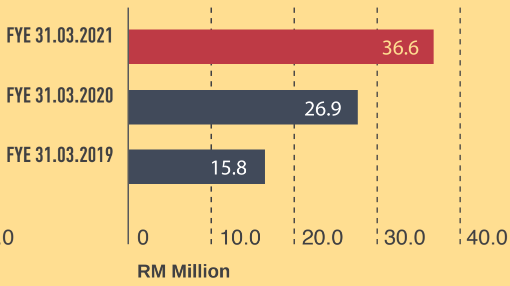


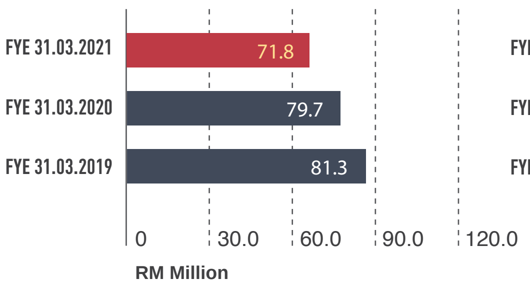



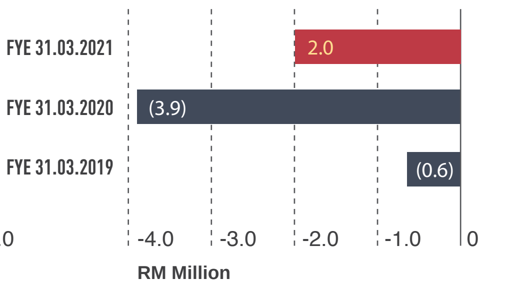



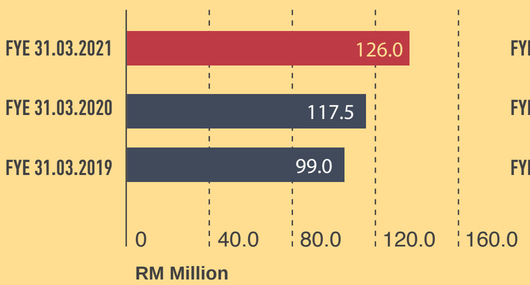



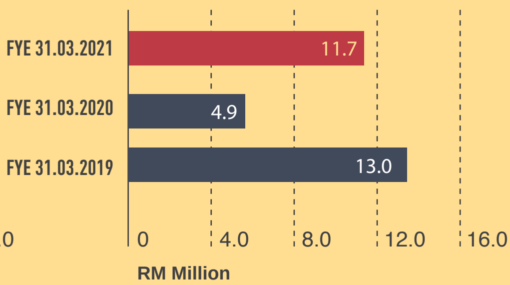




## RESOURCE FACILITIES


**>500 Units**
Prime Movers & Trucks


**>300,000 m²**
Warehouse Space

**Domestic: >2,200**
**Worldwide: >58,000***
Employees

**26 Logistics Centres**
Domestic Network

**595 Locations**
under the
Global Network of YLK

* Under the global network of NYK Group

# CORPORATE INFORMATION

TRANSFORM 2025

Create Better Connections

# BOARD OF DIRECTORS

**LEE CHECK POH**
Non–Independent Executive Chairman

**ANDY LEE WAN KAI**
Non-Independent Group Chief Executive Officer

**TAN KIM YONG**
Non-Independent Deputy Group Chief Executive Officer

**FREDDIE LIM JEW KIAT**
Non-Independent Executive Director

**NORIHIKO YAMADA**
Non-Independent Executive Director

**KWONG HOI MENG**
Independent Non-Executive Director

**RAYMOND CHA KAR SIANG**
Independent Non-Executive Director

**RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**
Independent Non-Executive Director

**DATUK DR WONG LAI SUM**
Independent Non-Executive Director

## COMPANY SECRETARIES

**KANG SHEW MENG**
MAICSA 0778565
CCM Practising Certificate 201908002065

**SEOW FEI SAN**
MAICSA 7009732
CCM Practising Certificate 201908002299

**LOH LAI LING**
MAICSA 7015412
CCM Practising Certificate 201908002445

## REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-78031126
Fax : 03-78061387

## REGISTRARS

**SECURITIES SERVICES (HOLDINGS) SDN BHD**
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 03-20849000
Fax : 03-20949940

## AUDITORS

**MAZARS PLT**
Chartered Accountants
Wisma Golden Eagle Realty
11th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur
Tel : 03-27025222

## PRINCIPAL BANKERS

**MALAYAN BANKING BERHAD**

**MUFG BANK (MALAYSIA) BERHAD**

**MIZUHO BANK (MALAYSIA) BERHAD**

## STOCK EXCHANGE

**MAIN MARKET**
**BURSA MALAYSIA SECURITIES BERHAD**
Sector : Transportation & Logistics
Stock Name : TASCO
Stock Code : 5140

## WEBSITE

www.tasco.com.my

## AUDIT COMMITTEE

**KWONG HOI MENG**
Independent Non-Executive Director
Chairman

**RAYMOND CHA KAR SIANG**
Independent Non-Executive Director
Member

**RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**
Independent Non-Executive Director
Member

## NOMINATING COMMITTEE

**RAYMOND CHA KAR SIANG**
Independent Non-Executive Director
Chairman

**KWONG HOI MENG**
Independent Non-Executive Director
Member

**RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**
Independent Non-Executive Director
Member

## REMUNERATION COMMITTEE

**RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**
Independent Non-Executive Director
Chairman

**RAYMOND CHA KAR SIANG**
Independent Non-Executive Director
Member

**KWONG HOI MENG**
Independent Non-Executive Director
Member



**From Left to Right**

1. **Norihiko Yamada**
   *Non-Independent Executive Director*
2. **Kwong Hoi Meng**
   *Independent Non-Executive Director*
3. **Datuk Dr Wong Lai Sum**
   *Independent Non-Executive Director*
4. **Andy Lee Wan Kai**
   *Non-Independent Group Chief Executive Officer*
5. **Lee Check Poh**
   *Non-Independent Executive Chairman*
6. **Raippan s/o Yagappan @ Raiappan Peter**
   *Independent Non-Executive Director*
7. **Raymond Cha Kar Siang**
   *Independent Non-Executive Director*
8. **Tan Kim Yong**
   *Non-Independent Deputy Group Chief Executive Officer*
9. **Freddie Lim Jew Kiat**
   *Non-Independent Executive Director*

**Note:**
1. No Director has any family relationships with any other Directors and/or major shareholders of the Company except Mr. Lee Wan Kai who is the son of Mr. Lee Check Poh.
2. Other than the related party transactions disclosed in the Annual Report, no Director has any conflict of interest with the Company.
3. No Director has been convicted of any offences within the past 5 years other than traffic offences, if any.

# PROFILE OF BOARD OF DIRECTORS


## LEE CHECK POH

Non-Independent Executive Chairman

### Date of Appointment
24 April 1989

### Experience
- Currently appointed as the Executive Chairman
- Joined the Group in year 1977 and appointed as a Director and the Managing Director in year 1989 and 1998 respectively. Re-designated as Executive Chairman in 2013
- Was appointed as an Executive Director and later as the Managing Director of Sony Logistics (M) Sdn Bhd between 1989 and 2004
- Was appointed as the Chairman of Yusen Logistics (Singapore) Pte Ltd and Chief Regional Officer of Yusen Logistics South Asia Oceania Region from April 2015 to June 2018
- Was appointed as the Director / Executive Officer of Yusen Logistics Co., Ltd from April 2015 to March 2018
- Was appointed as Corporate Officer of Nippon Yusen Kabushiki Kaisha from April 2018 to March 2020

### Training
Life on Land : Conservation Efforts in Malaysia

### Qualification
- Bachelor of Arts in Economics (Hosei University, Japan)
- Master of Arts in Economics (Lakehead University, Canada)

### Other Directorship in Public Company
None

# PROFILE OF BOARD OF DIRECTORS


## ANDY LEE WAN KAI

Non-Independent Group Chief Executive Officer

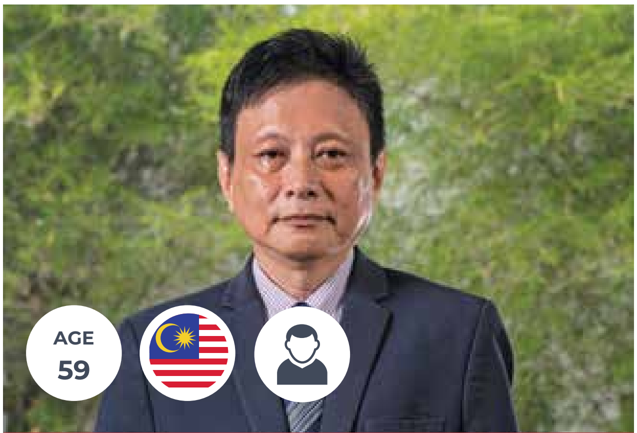
**Qualification**
- Bachelor of Commerce (Queen's University, Canada)

**Other Directorship in Public Company**
None

**Date of Appointment**
1 April 2020

**Experience**
- Currently appointed as Group Chief Executive Officer
- Appointed as the Chief Business Development Officer from April 2019 to April 2020
- Appointed as Managing Director of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO) from September 2017 to April 2020
- Appointed as Operation Director in charge of Supply Chain Solutions Function from June 2014 to December 2017
- Joined the Group in 2005 and appointed as Corporate Executive Director in 2010
- Prior to his joining the Group, he was practising as a Certified Public Accountant in the audit firms involved in audit engagement, taxation, initial public offering, merger and acquisition projects

**Training**
- Webinar Series 1: Premier on Climate Governance
- Shariah Investing Dialogue with Public Listed Companies 2021




## TAN KIM YONG

Non-Independent Deputy Group Chief Executive Officer

**Qualification**
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)

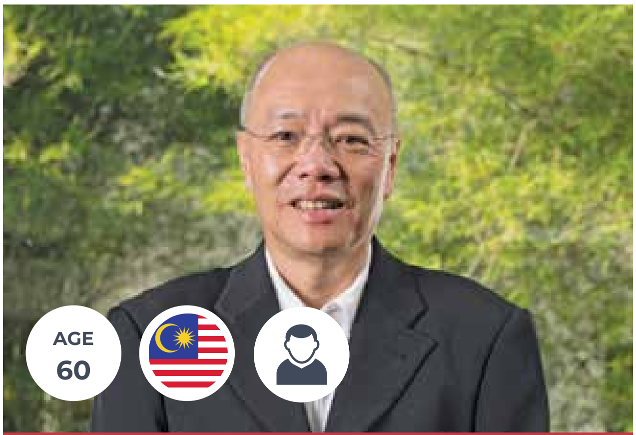
**Other Directorship in Public Company**
None

**Date of Appointment**
17 February 2011

**Experience**
- Currently appointed as the Deputy Group Chief Executive Officer in charge of Corporate Development Function Group
- Re-designated as Deputy Group Chief Executive Officer in 2019
- Joined the Group in 1996 and appointed as Deputy Managing Director in 2011
- Prior to his joining the Group he was in the auditing line, handled project accounting for a construction company and held the post of Financial Controller in an engineering company and in a German multinational company

**Training**
- Project D – Development for Employees
- Fraud Risk Management Workshop
- Webinar Series : Essential Secretarial Practice : Module 2 – Meetings, Minutes and Resolutions
- Webinar Series : Board Evaluation and Succession Planning
- Shariah Investing Dialogue with Public Listed Companies 2021

# PROFILE OF BOARD OF DIRECTORS




## FREDDIE LIM JEW KIAT

Non-Independent Executive Director

**Qualification**
- Malaysia Certificate of Education

**Other Directorship in Public Company**
None

**Date of Appointment**
19 August 2013

**Experience**
- Currently appointed as the Group Chief Executive Officer ("CEO") of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO)
- Resigned as Group CEO of TASCO Berhad on April 2020
- Re-designated as Group CEO of TASCO Group in June 2019
- Joined the Group in 1991 and appointed as the Managing Director from 2013 to 2019
- During his employment in the Company, he was assigned to various business divisions of the Group
- Prior to his joining the Group, he was involved in sales, dealing in courier services, chemicals and computers

**Training**
- Webinar Series I: Primer on Climate Governance


## NORIHIKO YAMADA

Non-Independent Executive Director

**Qualification**
- Bachelor of Humanities and Social Sciences (Shizuoka University, Japan)

**Other Directorship in Public Company**
None

**Date of Appointment**
1 April 2019

**Experience**
- Currently appointed as the Director in charge of the Business Development Function and a representative of YLK
- Appointed as Chief Business Development Officer on 1 April 2020
- Joined Yusen Air & Sea Service Co. Ltd, Nagoya Cargo Branch in 1992 as Customs Clearance staff, transferred to Nagoya Export Branch from 1993 to 1996 gaining invaluable experience in import and export procedures. Assigned to Sales Promotion Section of Okaya from 1996 to 1998
- Assigned to Miami Branch for a year (1998 – 1999) and thereafter recalled back to Japan to work in Central Japan Sales Division from 1999 to 2005
- Seconded to San Diego Sales Office from 2005 to 2008, thereafter transferred to Los Angeles Branch to in-charge of Sales Promotion of Los Angeles and San Diego and Sales Department Management until 2010
- Recalled to Japan in 2010 and was promoted as Manager in 2012 to in-charge of Development Sales Strategy of Business Planning Section at Global Headquarters thereafter transferred to Kansai Import Branch and work until his appointment to Malaysia as an Executive Director in April 2019

**Training**
- Webinar Series : Modern Meetings


## KWONG HOI MENG

Independent Non-Executive Director

**Qualification**
- Ordinary member of Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Approved Company Auditor

**Other Directorship in Public Company**
None

**Date of Appointment**
30 October 2007

**Experience**
- Appointed as an Independent Director in year 2007 and also the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee
- Became an ordinary member of the MICPA and a Chartered Accountant of the MIA in 1994 and an Approved Auditor in 2006
- Currently an Audit Partner of Messrs Kwong & Wong.

**Training**
- Modified Audit Report
- Updates on MFRS 15 and MFRS 16
- Malaysian Financial Reporting Standards (MFRS) 2020 Updates
- 2021 Budget Seminar
- Corporate Liability for Corruption Offences: Section 17A MACC Act, Adequate Procedures and ISO 37001 Anti-Bribery Management Systems
- MIA Webinar Series : Transfer Pricing – What is transfer pricing and its compliance requirements


## RAYMOND CHA KAR SIANG

Independent Non-Executive Director

**Qualification**
- LLB (Hons) Malaya (University of Malaya)

**Other Directorship in Public Company**
None

**Date of Appointment**
30 October 2007

**Experience**
- Appointed as an Independent Director in year 2007. He is also the Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee
- Admitted to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1996 and currently appointed as the Managing Partner of Putra Ray & Partners

**Training**
- Fraud Risk Management Workshop

# PROFILE OF BOARD OF DIRECTORS


## RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER

Non-Independent Executive Director

**Qualification**
- Bachelor of Arts in History and Economics (University of Malaya)

**Other Directorship in Public Company**
None

**Date of Appointment**
30 October 2007

**Experience**
- Appointed as an Independent Director in year 2007. He is also the Chairman of the Remuneration Committee, a member of the Nominating Committee and Audit Committee
- Served in the Ministry of Labour (now known as the Ministry of Human Resource) between 1967 and 1994. Retired as the Deputy Director General of the Industrial Relations Department. Currently, the Managing Consultant of Inforite IR Consultancy

**Training**
- Companies Act 2016 – Practical Guide for Company Directors


## DATUK DR WONG LAI SUM

Independent Non-Executive Director

**Qualification**
- PhD Business, University Malaya
- Master in Public Administration, University Malaya
- Bachelor of Science (Hons) Biochemistry, University Malaya

**Other Directorship in Public Company**
- SAM Engineering & Equipment (M) Berhad
- Milux Corporation Berhad

**Date of Appointment**
1 March 2019

**Experience**
- Appointed as an Independent Director in year 2019
- Adviser of Faculty of Business and Accountancy in University of Malaya since 2016
- Conjoint Professor (Practice) of Faculty of Business in University of Newcastle, Australia from 2016 to 2018
- Associate Professor of Faculty of Business and Research Fellow of TAR University College from 2016 to 2018 and 2018 to 2019 respectively
- Singapore Business Advisory Group of University of Newcastle from 2016 to 2018
- Director of Port Klang Authority from 2016 to 2017
- Economic Adviser to the Minister of Transport, Ministry of Transport Malaysia from 2016 to 2018
- Advisor to the National Export Council and CEO of the Malaysia External Trade Development Corporation from 2015 to 2016 and 2012 to 2015 respectively
- Director of Malaysia Petroleum Resources Council from 2013 to 2015
- Director and Trustee of the Malaysia Furniture Promotion Council from 2012 to 2015
- Director of MyCEB Tourism from 2012 to 2014
- Co-Chairman of Professional Services Development Council, Malaysia from 2012 to 2014

**Training**
- Adequate Procedures – S17A MACC Amendment Act 2018

## CHE WUI CHING

AGE 47

Corporate Director
Finance Group

### Qualification
Bachelor of Commerce in Accounting
(University of Otago, New Zealand)

### Working Experience
- Joined the Company in 1999 as an Assistant Supervisor
- Appointed as the Corporate Director in 2016
- In charge of the Finance Group
- 24 years of working experience in accounts and finance

## KONG PUI KIN

AGE 51

Senior General Manager
International Freight Forwarding Group

### Qualification
Bachelor of Arts in Business Management
(Reitaku University, Japan)

### Working Experience
- Joined the Company in 2012 as Deputy General Manager
- Promoted to General Manager in 2016
- In charge of International Freight Forwarding
- 15 years of air freight forwarding experience

## MOHD SUFFIAN BIN MOHD SAID

AGE 53

Corporate Director
Customs Forwarding Group
and Compliance Group

### Qualification
Bachelor in Business Administration
(University of North Texas, USA)

### Working Experience
- Joined the Company in 2008 as Deputy General Manager
- Appointed as Corporate Director in 2016
- In charge of Customs Forwarding Group and Compliance Group
- 30 years of logistics and supply chain experience

## MASANORI TAKAHASHI

AGE 51

General Manager
Total Logistics Sales Division
- Japanese sales

### Qualification
Bachelor of Laws (Meiji University, Japan)

### Working Experience
- Joined the company in 2015 as General Manager
- Joined Yusen Air & Sea Service Company in 1994
- In charge of Japanese Total Logistics Sales
- 27 years of working experience in air freight forwarding and ocean freight forwarding business
- Worked for Yusen Japan, Yusen USA and Yusen Mexico before being assigned to Malaysia

## DORAIRAJ A/L SENGARAM

AGE 55

Corporate Director
Operations and Quality &
Performance Improvement Group

### Qualification
Bachelor in Business Administration
(University Utara Malaysia)

### Working Experience
- Joined the company in 2011 as General Manager
- Appointed as Chief Operating Officer in December 2017
- Appointed as Corporate Director in 2016
- In charge of Operations and Quality & Performance Improvement Group
- 31 years of logistics experience

## LIM CHIN LEE

AGE 49

General Manage
Business Development,
Key Account Management Group

### Qualification
Bachelor of Commerce in Marketing and Management (Curtin University, Perth, Western Australia)

### Working Experience
- Joined the Company in 2000 as an Executive
- Promoted to General Manager in 2016
- In charge of Business Development, Key Accounts Management Group
- 23 years working experience in total logistics sales

# PROFILE OF KEY MANAGEMENT

## SUNG BOON LEONG

AGE 63

Corporate Director
Northern Region Head

### Qualification

Bachelor of Social Science in Economics and Psychology (Universiti Kebangsaan Malaysia)

### Working Experience

- Joined the Company in 1989 as an Officer
- Appointed as Corporate Director in 2016
- In charge of Northern Region branches
- 32 years of logistics experience working in the Company

## LAWRENCE QUEK HWAI CHOO

AGE 53

Deputy General Manager
Southern Region Head

### Qualification

Diploma in Business Management (SBTC College, Johor, Malaysia)

### Working Experience

- Joined the company in 2010 as Manager
- Promoted to Deputy General Manager in 2016
- In charge of Southern Region branches
- 33 years of logistics working experience

## LIOW WEI KUNG

AGE 61

Senior General Manager
IT Development Group

### Qualification

Bachelor of Science (Hons) Computing (University of Bolton, UK)
Higher Diploma in Accounting

### Working Experience

- Joined the Company in 1991 as Head of Accounts Department in Penang Prai Logistics Centre
- Appointed as Head of Planning and Control in Head Quarter in 1999
- Appointed as Head of IT Division in 2002
- Promoted to General Manager in 2016
- In charge of IT Software Development Group
- 19 years of experience in Software Engineering and Project Management. 11 years of experience in Accounting and Finance
- Prior to the above, 10 years of experience in Banking

## HARIS FAZAIL BIN HAROON

AGE 56

Corporate Director
Trucking Group

### Qualification

Advanced Diploma in Business Administration (Transport) (Institute Teknologi MARA Shah Alam)

### Working Experience

- Joined the company in 1995 as an Executive
- Appointed as Head of Truck Freight Station of Penang Prai Logistics Centre in 1998
- Appointed as Trucking Division Head in 2007
- Appointed as Corporate Director of TASCO in 2011
- In charge of Transport, Haulage and Warehouse Group
- Appointed as Director of TYGC in 2008
- In charge of Human Resources Group of TYGC Group from 2018 to 2021
- 26 years of working experience in the trucking business

## TAN NEE PHING

AGE 51

Corporate Director
Business Development
Cold Chain Division of Tasco Yusen
Gold Cold Sdn Bhd (“TYGC”) Group

**Qualification**
Bachelor Degree in Marketing
(University of Mississippi, USA)

**Working Experience**
- Joined Gold Cold Integrated Logistics Sdn Bhd as Senior Manager, Logistics Hub-Business & Solutions Development since 2006
- Appointed as Corporate Director in TYGC in 2019
- In charge of Cold Chain Division of TYGC Group
- 28 years of experience in logistics industry focusing in cold chain warehousing and transportation

## TAN JUI HOW

AGE 56

Corporate Director
Convenience Retail Division and
IT Development Group of TYGC Group

**Qualification**
Master of Business Administration
(University of Hull, UK)
Bachelor in Computer Science
(Universiti Kebangsaan Malaysia)

**Working Experience**
- Joined TYGC in 2018 as Corporate Director
- In charge of Convenience Retail Division and IT Development Group of TYGC Group
- 15 years of experience in information technology, business process, supply chain & logistics in the largest convenience retail chain company in Malaysia
- Prior to the above, he gained experience as Internal Auditor in Bank Negara and Head of Operations in several stockbroking firms

## CHOY WENG HOE

AGE 49

Corporate Director
Finance, Legal &
Human Resource Group
of TYGC Group

**Qualification**
Master of Business Administration
(Charles Sturt University, Australia)
Member of Malaysian Institute of Accountants

**Working Experience**
- Joined Gold Cold Transport Sdn Bhd as Head of Finance since year 2015
- Appointed as Corporate Director of TYGC in 2019
- In charge of Finance, Legal and Human Resource Group of TYGC Group
- 29 years of experience in accounts and finance

## TAI KAIN FATT

AGE 41

Corporate Director
Contract Logistics and Trucking Group
of TYGC Group

**Qualification**
Fellow Member of the Association of Chartered Certified Accountants (FCCA)

**Working Experience**
- Joined the company in 2010 as a Manager in Supply Chain Support
- Appointed as Corporate Director of TYGC in 2021
- Appointed as Division Head of Automotive in 2013
- Appointed as Trucking Division Head in 2015
- Appointed Transport Group Head in 2017
- Appointed as Chief Operation Officer of TYGC in 2020
- Trained and practiced as a Chartered Accountant prior to joining the Group

**Note :**
1. No Key Senior Management has any family relationships with any directors and/or major shareholders of the Company.
2. No Key Senior Management has any conflict of interest with the Company.
3. No Key Senior Management has been convicted of any offences within the past 5 years other than traffic offences, if any.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**To earn the trust of stakeholders – not only shareholders but also customers, business partners and the regional communities in which TASCO maintains a presence – and meet their expectations, the Group strives to build and further enhance a management structure optimised for management transparency and efficiency.**

**Guidelines**

The Board of Directors ("Board") is committed in ensuring that the principles and best practices on corporate governance are observed and practised throughout the Group as the fundamental part of discharging its responsibilities to protect, enhance shareholders' value and to continue delivering sustainable performance.

The Malaysian Code on Corporate Governance ("Code") sets out the principles and best practices on structures and processes that the Group may use towards achieving their optimal governance framework. The Board has also provided specific disclosures on the application of each practice in its Corporate Governance Report ("CG Report"). The CG Report was announced to Bursa Securities together with the Annual Report 2021 of the Company. A copy of the CG Report can be obtained from the Company's website at **www.tasco.com.my**. Shareholders are advised to read this Overview Statement together with the CG Report.

Set out below is the manner in which the Group has applied the principles of corporate governance and the extent to which it has complied with the best practices set out in the Code.

## BOARD LEADERSHIP AND EFFECTIVENESS

### I Board Responsibility

**Internal Organisation Structure**

The Board comprises nine (9) members, including four (4) Independent Non-Executive Directors. The Board had also established the following three (3) Board Committees and at management level a Risk Management Committee to assist the Board in carrying out its fiduciary duties. The Board Committees are:

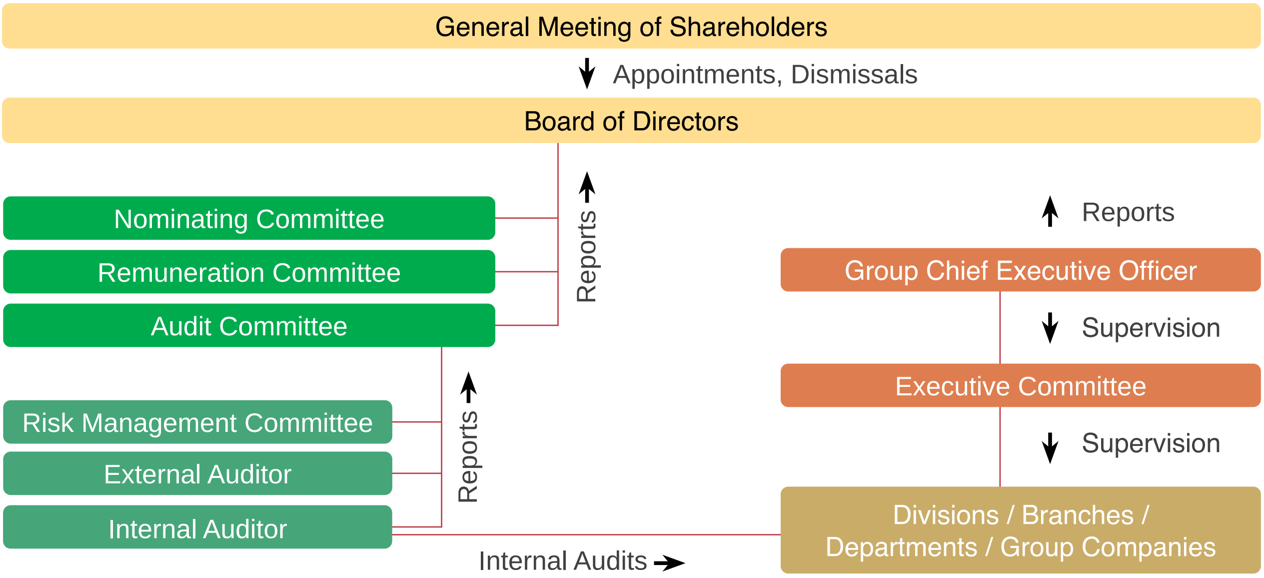
(a) Nominating Committee
(b) Remuneration Committee
(c) Audit Committee

These Board Committees deliberate on particular issues and report their findings and recommendations to the Board. However, the ultimate responsibility for all decisions lies with the entire Board.

The Executive Committee headed by the Group Chief Executive Officer comprises fifteen (15) members including Executive Directors from the Board and senior level staff. The Executive Committee is responsible to discuss matters of particularly critical importance from the prospective of day to day management and operation strategies.

The positions of the Chairman and the Group Chief Executive Officer are held by two (2) individuals. There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer, which will ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and workings of the Board. The Group Chief Executive Officer is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies

Overall, our internal organisation structure is designed to clarify lines of authority and responsibility for the business and operation strategies, promote fast and accurate decisions, and enhance management transparency and efficiency.




**Board Charter and Directors' Code of Conduct and Ethics**

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 Board, 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 reviewed the Board Charter on 21 November 2019.

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 Directors' 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 Directors' Code of Conduct and Ethics are made available for reference in the Company's website at **www.tasco.com.my**. The Board Charter would be reviewed periodically and updated in accordance with the needs of the Company and any new regulation that may have an impact on the discharge of the Board's responsibility.

**Corporate Compliance Policy and Whistleblowing Policy and Procedure**

The Company has established a Corporate Compliance Policy to steer acceptable employment practices, ethical values and conduct for behaviour of employees. The Board also encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The Whistleblowing Policy and Procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

As at to-date, there was no complaint received.

The Corporate Compliance Policy and Whistleblowing Policy and Procedure are made available for reference in the Company's website at **www.tasco.com.my**.

**Succession Planning**

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

**Qualified Company Secretaries**

The Board would ensure the Company is supported by qualified, experienced and competent company secretary. The Company Secretary is capable as official liaison party to TASCO to communicate, prepare and submit statutory returns with the Companies Commission of Malaysia ("CCM") in compliance with the statutory requirements under the Malaysian Companies Act 2016 ("Act").

The Company Secretary plays 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 Secretary. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

The appointment and removal of the Company Secretary shall be within the purview of the Board.

**Board meeting**

The Board convenes at least four (4) scheduled Board meetings during each financial year. More meetings will be scheduled depending on business requirements, where appropriate. During the financial year, a total of four (4) Board meetings were held.

Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors in time to enable the Directors to effectively discharge their responsibilities. Any additional information requested by Directors is readily available. Reports on the performance of the Group are also circulated to the Directors for their perusal and comments. The Board also has a formal schedule of matters reserved to it for deliberation and decision such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

In addition, on important matters that require the Board's decisions, prior briefings, if necessary, are provided or conveyed by Executive Directors to other Board members to ensure full knowledge and understanding thus enhancing the members' comprehension of Board papers before deliberations.

The Board is also notified of any corporate announcements to be released to Bursa Malaysia and is kept informed of updates issued by the various regulatory authorities.

All proceedings of the Board meetings are minuted and signed by the Chairman of the meeting.

In furtherance of their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the Company's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from Directors both for the Company's own records and for the purposes of meeting statutory obligations as well as obligations arising from the Main Market Listing Requirements ("LR") of Bursa Malaysia and other regulatory requirements. The Board acknowledges the fact that the Chairman is entitled to the positive support of the Company Secretary in ensuring the effective functioning of the Board.

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets. Besides Datuk Dr Wong Lai Sum, who is currently holding two (2) directorships in other public listed companies, none of the other Directors held directorship in other listed company.

The annual schedule of meetings of the Board, its Committees and shareholders meeting are usually set at the end of each year to enable the Directors to plan ahead and to facilitate their commitment to these meetings for the following year. Additional meetings are planned as and when necessary. Details of the attendance at Board and Board Committee meetings are set out in the relevant sections of this Statement.

## II. Composition of the Board

The Board comprises the following members and the details of attendance of each member at the Board meetings held during the financial year ended 31 March 2021 are as follows:

| Name | Status of Directorship | Independent | Meeting Attended |
|---|---|---|---|
| Lee Check Poh (Chairman) | Executive | No | 4/4 |
| Lee Wan Kai (Group Chief Executive Officer) | Executive | No | 4/4 |
| Tan Kim Yong (Group Deputy Chief Executive Officer) | Executive | No | 4/4 |
| Lim Jew Kiat | Executive | No | 4/4 |
| Norihiko Yamada | Executive | No | 4/4 |
| Raymond Cha Kar Siang | Non-Executive | Yes | 4/4 |
| Kwong Hoi Meng | Non-Executive | Yes | 4/4 |
| Raippan s/o Yagappan @ Raiappan Peter | Non-Executive | Yes | 4/4 |
| Datuk Dr Wong Lai Sum | Non-Executive | Yes | 4/4 |

The Group is headed by an experienced and dynamic Board comprising professionals, ex-civil servants, long serving staff and entrepreneurs with diverse skills from a wide range of business, financial, economic and legal backgrounds. The Board effectively controls the direction and provides leadership for the Group by setting appropriate objectives and strategic directions and is responsible for the overall operations and management of the Group.

The Board reviews and adopts a strategic plan, which covers the core business of the Group. The various strategies and objectives identified in the plan are monitored and evaluated during the implementation. In addition, the Board implements a risk management system which identifies the principal risks and ensures the implementation of the management of those risks to mitigate the impact of any such risks. Its other responsibilities include reviewing the adequacy and integrity of the Group's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines as well as development and implementation of the succession planning for senior management and investor relations programme for the Group.

The Board considers that the current size of the Board is adequate and facilitates effective decision making. The Board also reviews on an annual basis the appropriateness of its size.

The Board's composition complies with the LR that requires at least 1/3 of the Board to comprise Independent Non-Executive Directors. However, it is not in line with the Code where it requires at least half of the Board members comprises independent directors. Necessary steps will be taken to meet the requirements of the Code as mentioned above. The appointment of Datuk Dr Wong Lai Sum as our Independent Non-Executive Director in March 2019 has brought us one step closer to the observance of the Code.

There is a balance in the Board because of the presence of Independent Non-Executive Directors who bring strong independent judgment, knowledge, skills and experience to the Board's deliberations during the decision making process. The Independent Non-Executive Directors ensure that the interest of the minority shareholders and other stakeholders are given due consideration in the deliberations of the various issues and matters affecting the Group.

**Tenure of Independent Directors**

The Board does not have term limit for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service as there are significant advantages to be gained from long-serving directors who possess tremendous insight and in-depth knowledge of the Group's business and affairs. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The caliber, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

The Independent Directors of the Company who have served for a cumulative term of more than twelve (12) years are Mr. Kwong Hoi Meng, Mr. Raymond Cha Kar Siang and Mr. Raippan s/o Yagappan @ Raiappan Peter.

The Board has decided to retain them as Independent Directors notwithstanding their services for a cumulative term of more than twelve (12) years as Independent Directors after assessment of their performance, experience and expertise.

Nevertheless, as the independent directors mentioned above have served as Independent Directors of TASCO for more than twelve (12) years, the Board will seek approval from the shareholders of the Company at the forthcoming AGM to support the Board's decision to retain them as Independent Director without going through the two-tier voting process based on the following justifications:-

- They have fulfilled the criteria under the definition of Independent Director as stated in the LR and thus they would be able to bring an element of objectivity to the Board;
- They have vast and diverse range of experiences in various industries and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- They have continued to exercise their independence and due care during their tenure of service; and
- They have shown great integrity and independence, and had not entered into any related party transactions with the Group.

**Appointment and Re-election of Directors**

The Company has in place a nomination process to appoint new directors but it does not have a set of specific criteria for assessment and selection of director candidate. However, consideration would be taken on the need to meet the regulatory requirements such as the Act, the LR and other criteria discussed in the following paragraphs.

The Nominating Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by independent sources, existing directors, senior management staff, shareholders or third party referral. Under normal circumstances, the Nominating Committee would review new board candidates to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation of the Nominating Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

Upon receipt of the proposal, the Nominating Committee is responsible to conduct an assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae, candidate's qualifications as well as formal or informal interview at the Nominating Committee's discretion.

In discharging its duty, the Nominating Committee will assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, age, cultural background, gender, strength of qualities and competency and understanding of the business environment.

The Company has a gender diversity policy in place, whereas the gender diversity policy required that in any list of proposed candidates to the Board shall consist of at least one (1) woman candidate, wherever reasonably possible during the selection process. The Nominating Committee is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes. The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board. A female director has been appointed since 1 March 2019.

For appointment of Independent Directors, the Nominating Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the LR.

In accordance with the Company's Constitution, all newly appointed Directors are subject to retirement and are entitled for re-election at the first annual general meeting ("AGM") after their appointment. At every subsequent AGM, 1/3 of the existing Directors including the Managing Director, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. An election of Directors shall take place every year. The election of each Director is voted separately. Any person appointed by the Board either to fill casual vacancy or as an addition to the existing Directors, shall hold office only until the next AGM and shall be eligible for re-election.

For the appointment of Senior Management, the Director that take-charge of the recruitment of the respective position will take into consideration the objective criteria, merit and with due regard for diversity skills, experience, expertise, age, cultural background, gender, strength of qualities and competency and understanding of the business environment.

**Nominating Committee**

The Nominating Committee was set up on 6 December 2007 and the terms of reference of the Nominating Committee and the nomination and election process of directors are made available for reference in the Company's website at **www.tasco.com.my**. The Board reviewed the terms of reference of Nominating Committee on 21 November 2019. The terms of reference can be obtained from the Company's website at **www.tasco.com.my**.

The Nominating Committee comprises the following members and the details of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 March 2021 are as follows:

| Name | Status of Directorship | Independent | Meeting Attended |
|---|---|---|---|
| Raymond Cha Kar Siang (Chairman) | Non-Executive | Yes | 1/1 |
| Kwong Hoi Meng | Non-Executive | Yes | 1/1 |
| Raippan s/o Yagappan @ Raiappan Peter | Non-Executive | Yes | 1/1 |

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

**a) Annual Assessment of Existing Directors**

The director who is subject to re-election and/ or re-appointment at next AGM shall be assessed by the Nominating Committee before recommendation is made to the Board and shareholders for the re-election and/ or re-appointment. Appropriate assessment and recommendation by the Nominating Committee would be based on the yearly assessment conducted.

The Nominating Committee will review and assess the mix of skills, expertise, composition, size and experience of the Board of Directors. The Nominating Committee will also review and assess the performance of each individual director, the effectiveness of the Board and the Board Committees.

The Nominating Committee had met to review the mix of skills, experience and qualities of the Board committees and Board members as well as the appropriateness of the size of the Board and concluded that the Board composition was adequately balanced in ensuring continued effectiveness and efficiency.

**b) Assessment on Independence of Directors**

In line with the Code, the Board, with the assistance of the Nominating Committee, is required to review the independence of the Company's Independent Non-Executive Directors on an annual basis. The Board adopts the definition of an 'Independent Non-Executive Director' as provided by the LR, and such definition is used as criteria for Directors' independence assessment whereby Directors are required to provide written confirmation on their independence on yearly basis. In addition, a consideration would be given to assess whether the independent directors are able to act independently of management and free from any businesses or other relationship.

Any director who considers that he/she has or may have a conflict of interest or a material personal interest or a director or indirect interest or relationship that could reasonably be considered to influence in a material way the Directors' decisions in any matter concerning to the Company is required to immediately disclose to the Board and to abstain from participating in any discussion or voting on the respective matter.

Upon the assessment carried out, Nominating Committee satisfied that the Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined in the LR.

**c) Assessment on AC as a whole and the performance of the individual AC member**

The Nominating Committee have reviewed the term of office of the AC members and assessed the performance of the AC and its members during the financial year and was satisfied with the assessment results.

During the financial year under review, the Nominating Committee also reviewed and recommended to the Board the re-election of Directors who retire in accordance with the Company's Constitution.

**Directors' Training**

The Board recognises the needs to attend training to enable them to discharge their duties effectively.

The Board has empowered the Directors of the Company to determine their own training requirements as they consider necessary or deem fit and expedient to keep themselves updated on the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations. During the financial year, all the Directors have attended training listed under their respective individual director profile. This is in compliance with paragraph 15.08(2) of the LR. A brief description of the trainings attended by the Directors is as follows: -

1. Life on Land : Conservation Efforts in Malaysia
2. Climate Governance Malaysia
3. Project D – Development for Employees
4. Fraud Risk Management Workshop
5. Webinar Series : Essential Secretarial Practice : Module 2 – Meetings, Minutes and Resolutions
6. Webinar Series : Board Evaluation and Succession Planning
7. Webinar Series : Modern Meetings
8. Shariah Investing Dialogue with Public Listed Companies 2021
9. Modified Audit Report
10. Updates on MFRS 15 and MFRS 16

11. Malaysian Financial Reporting Standards (MFRS) 2020 Updates
12. 2021 Budget Seminar
13. Corporate Liability for Corruption Offences: Section 17A MACC Act, Adequate Procedures and ISO 37001 Anti-Bribery Management Systems
14. MIA Webinar Series : Transfer Pricing – What is Transfer Pricing and its Compliance Requirements
15. Companies Act 2016 – Practical Guide for Company Directors
16. Adequate Procedures – S17A MACC Amendment Act 2018

Whenever there is a new Director(s), a familiarisation programme will be conducted for them. This includes a presentation of the Group's operations, meetings with senior management and site visits, where appropriate, to facilitate their understanding of the Group.

The Board is regularly updated by the Company Secretary on the latest updates and major amendments made to the LR and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

### III Remuneration Committee

The Remuneration Committee comprises the following members and the details of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 March 2021 are as follows:

| Name | Status of Directorship | Independent | Meeting Attended |
|---|---|---|---|
| Raippan s/o Yagappan @ Raiappan Peter (Chairman) | Non-Executive | Yes | 1/1 |
| Raymond Cha Kar Siang | Non-Executive | Yes | 1/1 |
| Kwong Hoi Meng | Non-Executive | Yes | 1/1 |

The Remuneration Committee is responsible for recommending to the Board the remuneration of the Executive Directors, in all forms. The determination of the remuneration of the Non-Executive Directors as well as the Executive Directors will be a matter to be determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on the decisions regarding his individual remuneration.

The terms of reference of the Remuneration Committee has been reviewed by the Board on 15 November 2018 and it complies with the recommendations of the Code. The terms of reference can be obtained from the Company's website at **www.tasco.com.my**.

The levels of remuneration of the Directors should reflect the rate to attract and retain their services taking into consideration the prevailing market pay and employment conditions within the industry. The remuneration should comprise components to cover rewards linking corporate performance and individual contribution towards the overall results, in the case of Executive Directors. Reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills.

The Board has a Remuneration Policy to establish a formal and transparent procedure for developing the structure for the remuneration package of Directors and Key Senior Management. The Company aims to maintain a competitive remuneration package that will attract, retain and motivate a high quality Board and Key Senior Management to achieve Company's business objectives and at the same time aligned with shareholders' interests. The Remuneration Policy is made available for reference in the Company's website at **www.tasco.com.my**.

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 a general meeting.

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM300,000 for the period from 16 September 2021 until the next AGM. In addition, shareholders' approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 16 September 2021 until the next AGM of the Company.

The details of the remuneration of Directors of the Company and Group for the financial year ended 31 March 2021 by category and in the band of RM50,000 are as follows:

**Received from the Company**

| Range of Remuneration | Executive Directors | Non-Executive Directors |
|---|---|---|
| Below RM50,000 | - | 3 |
| RM50,001 to RM100,000 | - | 1 |
| RM250,001 to RM300,000 | 1 | - |
| RM850,001 to RM900,000 | 1 | - |
| RM950,001 to RM1,000,000 | 1 | - |
| RM1,050,001 to RM1,100,000 | 1 | - |
| RM1,700,001 to RM1,750,000 | 1 | - |

The remuneration is further analysed by fees and salaries and other emoluments:

| | Fees RM | Salaries and other emoluments RM | Total RM |
|---|---|---|---|
| Executive Directors | - | 4,918,400 | 4,918,400 |
| Non-Executive Directors | 204,000 | - | 204,000 |

**Received from the Group**

| Range of Remuneration | ExecutiveDirectors | Non-Executive Directors |
|---|---|---|
| Below RM50,000 | - | 3 |
| RM50,001 to RM100,000 | - | 1 |
| RM250,001 to RM300,000 | 1 | - |
| RM850,001 to RM900,000 | 1 | - |
| RM950,001 to RM1,000,000 | 1 | - |
| RM1,050,000 to RM1,100,000 | 1 | - |
| RM1,700,001 to RM1,750,000 | 1 | - |

The remuneration is further analysed by fees and salaries and other emoluments:

| | Fees RM | Salaries and other emoluments RM | Total RM |
|---|---|---|---|
| Executive Directors | - | 4,918,400 | 4,918.400 |
| Non-Executive Directors | 204,000 | - | 204,000 |

The details of the remuneration of Key Management of the Company and Group for the financial year ended 31 March 2021 by category and in the band of RM50,000 are as follows:

| Range of Remuneration | Group | Company |
|---|---|---|
| RM200,001 to RM250,000 | 1 | 1 |
| RM250,001 to RM300,000 | 4 | 3 |
| RM300,001 to RM350,000 | 2 | 2 |
| RM350,001 to RM400,000 | 1 | - |
| RM400,001 to RM450,000 | 2 | 2 |
| RM500,001 to RM550,000 | 3 | 1 |
| RM650,001 to RM700,000 | 1 | - |

Summary of activities of Remuneration Committee:

- Reviewed the remuneration packages for the Executive Directors.
- Reviewed the fees and benefits of the Non-Executive Directors and recommended to the Board to seek shareholders' approval.

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### I Audit Committee

The Audit Committee is responsible to assist the Board to review the adequacy and integrity of the Group's internal control systems and all financial statements before their submission to the Board for approval. The terms of reference of Audit Committee has been reviewed on 23 October 2020 and is available in the Company's website.

The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee comprises solely Independent Non-Executive Directors. The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Group.

The composition of the Audit Committee together with its reports is presented in Audit Committee Report in this Annual Report. The Board has not appointed any of the Company's former key audit partners as a member of the Audit Committee. The Audit Committee will observe a minimum three (3) years cooling-off period before any former key audit partner can be appointed as a member of the Audit Committee.

The Board has maintained a professional and transparent relationship 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 in ensuring compliance with the applicable accounting standards in Malaysia. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

The external auditors would be re-appointed annually subject to annual evaluation by the Audit Committee. As part of the evaluation process, the Audit Committee will obtain feedback from the management team on the quality of the audit service of the external auditors. Audit partner in-charge of a public listed company should be rotated (within the audit firm) every seven (7) years to ensure independence of audit.

The Audit Committee has evaluated the suitability and performance of the auditors based on the relevant criteria set out in the policy and procedures of the Company, which included adequacy of resources of the firm, quality of service and competency of the staff assigned to the audit, the external auditors' independence and the costing. Being satisfied with Mazars PLT's performance and audit independence, the Audit Committee recommended their re-appointment as external auditors.

Also, the Audit Committee has obtained confirmation from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement for the financial year in accordance with the terms of all relevant professional and regulatory requirements.

The Board at its meeting held on 27 January 2021 accepted the Audit Committee's recommendation and was satisfied with Mazars PLT's suitability and audit independence thus agreed to put forward a resolution on their appointment to the shareholders for approval at the forthcoming AGM.

For the financial year ended 31 March 2021, statutory audit fees incurred by the Company and on Group basis is RM105,206 and RM254,040 respectively while the review of quarterly financial statements incurred by the Company on Group basis is RM68,670.

The non-audit fees incurred for services rendered for the Company and the Group by the external auditors for the financial year ended 31 March 2021 is RM73,670.

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect. The Board is also required by the Act to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A statement by the Board of its responsibilities for preparing the financial statements is set out on page 60 of this Annual Report.

In presenting its quarterly results and annual financial statements to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Company has established an appropriate and transparent relationship with its external auditors through the Audit Committee. The Audit Committee and the Board also review the information to be disclosed before the release to Bursa Malaysia.

## II. Risk Management and Internal Control Framework

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.

The Company adopts the COSO (Committee of Sponsoring Organisations of the Treadway Commission) control framework throughout our audit implementation as a basis for assessing the adequacy and effectiveness of the Company's risk and control processes. The Company has established a Risk Management Committee at management level which comprises 14 members of senior level staff who are responsible to ensure that there is a risk management programme in place to identify and manage the major or significant operational, financial and market risks associated with the Group's businesses.

The Risk Management Committee seeks to improve the administration and operation of the Company by adopting the following Risk Tabulation Table to identify and evaluate its risk exposure, focusing on its operational processes. Appropriate measures will be taken to mitigate these risks in the future.

**Risk Tabulation Table**

| LIKEHOOD | | | | |
|---|---|---|---|---|
| | High | | | |
| | Medium | | | |
| | Low | | | |
| | | Minor | Moderate | Major |

**IMPACT**

The terms of reference of the Risk Management Committee have been approved by the Board.

### Internal Control System

The Directors recognises their ultimate responsibility for the Group's system of internal controls and the need to review the adequacy and the integrity of the internal control systems.

The Directors also take cognisance of the importance of identifying principal risks and having an appropriate risk management system. The Group has an internal audit function, which reports to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

### Internal Audit Function

The Board acknowledges its responsibility for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The Internal Audit Function is outsourced to an independent professional firm, Messrs. Omar Arif & Co. which reports directly to the Audit Committee. Each quarterly audit is performed by approximately 2 to 3 internal auditors depending on the area of audit. The Internal Auditor prepares and tables an Annual Internal Audit Plan for the consideration and approval of the Audit Committee. The Internal Auditor adopts a risk-based approach in preparing its audit strategy and annual plan was based on the risk profiles of the business operations. The scope of the internal audit is based on the audit plan. The Internal Auditor reports to the Audit Committee on a quarterly basis and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

The Audit Committee has conducted an annual assessment of the Internal Audit Function to ensure adequacy of its scope, competency and resources for it to be able to effectively perform its function in accordance with the relevant professional standards. While performing the audit, the Internal Auditor is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

During the financial year, the Internal Auditor conducted audit in the areas of Procurement, Trucking, Invoicing, Payment, Credit Management, Information Technology Management and Ocean Freight Forwarding. They also conducted Follow-up Audit to ensure the relevant action plans have been carried out for operations efficiency. During which, the Internal Auditor also tabled the Audit Planning Memorandum to the Board for approval.

The Group incurred RM50,880 for internal audit costs during the financial year ended 31 March 2021.

The Statement of Risk Management and Internal Control, set out on pages 64 and 65 of this Annual Report, which has been reviewed by external auditors, provide an overview of the state of internal controls within the Group. Further information on the internal audit function and its activities are set out on page 62 of this Annual Report.

## INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I Communicate with Stakeholders

The Board values its dialogue with both institutional shareholders and private investors and recognises that timely and equal dissemination of relevant information be provided to them. In this regard, it adheres to the disclosure requirements of Bursa Malaysia by making announcements via the Bursa Malaysia's website at www.bursamalaysia.com. Information of the Company is also disseminated through the following channels:

a) Annual Report;
b) Circular to Shareholders; and
c) Company's website at **www.tasco.com.my**

Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:

**Mr. Andy Lee Wan Kai**
**(Group Chief Executive Officer)**
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : andy.lee@tasco.com.my

**Mr. Tan Kim Yong**
**(Deputy Group Chief Executive Officer)**
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : ky.tan@tasco.com.my

The Company holds briefing sessions for fund managers, investment analysts and the media in conjunction with the announcement of quarterly results, yearly financial results to Bursa Malaysia and AGM.

A copy of the annual report is sent to all our shareholders and is available upon request. By making various announcements through Bursa Malaysia in particular the timely release of the quarterly results, members of the public can also obtain the full financial results and the announcements from the Bursa Malaysia's website.

**II. Conduct of General Meeting**

The Board encourages shareholders' active participation at the Company's AGM. The AGM remains the principal forum for dialogue with shareholders where it provides an opportunity for the shareholders to seek clarifications on the Group's operations. Given the significance of AGM, at least 28 days' notice of meeting together with the Annual Report is sent out to the shareholders. All Board members attended the Forty-Fifth AGM and provided responses to questions addressed to them. The Chairman and Board members will undertake to provide the shareholder with a written answer to any significant question that cannot be readily answered. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if any.

The Board takes note of the recommendation by the Code on the adoption of electronic voting and the LR that the resolutions tabled of general meeting have to be decided by way of poll. The Company has implemented electronic poll voting in the past few general meetings.

The Board ensures that each item of special business included in the Notice of AGM must be accompanied by an explanation of the effects of the proposed resolution.

**Compliance Statement**

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavor to improve and enhance the procedures from time to time.

## STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Act, to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards, and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year. In preparing the financial statements, the Directors have:

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure that all applicable accounting standards have been followed; and
- Prepared the financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility of ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Act.

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

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2021.

## COMPOSITION AND ATTENDANCE

The present composition of the Audit Committee ("AC") is as follows:

| Name | Status of Directorship | Independent | Meeting Attended |
|---|---|---|---|
| Kwong Hoi Meng (Chairman) | Non-Executive | Yes | 4/4 |
| Raymond Cha Kar Siang | Non-Executive | Yes | 4/4 |
| Raippan s/o Yagappan @ Raiappan Peter | Non-Executive | Yes | 4/4 |

The AC has three (3) members, all of whom are Independent Directors. This meets the requirement of the Code where the AC consists solely of independent directors. The AC Chairman is not the Chairman of the Board in accordance to the Code.

The AC Chairman, Mr Kwong Hoi Meng who is elected among the AC members, is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants which complies with paragraph 15.09(1)(c )(i) of the LR.

## AUTHORITY

The AC shall be in accordance with the procedures determined by the Board and at the cost of the Group:

a. have explicit authority to investigate any matter within its terms of reference;
b. have the resources which are required to perform its duties;
c. have full and unrestricted access to any information pertaining to the Group;
d. have unrestricted access to the Group Chief Executive Officer;
e. have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
f. be able to obtain independent/external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
g. be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

The full terms of reference of the AC can be viewed at the Company's website at **www.tasco.com.my**.

## MEETINGS

The AC met four (4) times during the financial year ended 31 March 2021 with full attendance.

Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and were subsequently noted by the Board. The Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors.

The lead audit partner of the External Auditors responsible for the Group audit attended two (2) AC meetings during the financial year to present the auditors' report on the annual audited financial statements and their Audit Planning Memorandum before commencement of the audit of the Group. The AC also met the External Auditors on two (2) occasions without the presence of the Executive Directors and the management. At these meetings the AC enquired about the management cooperation with the External Auditors, access to information in their course of audit and proficiency in financial reporting. The External Auditors were also invited to raise any matter that is of importance to the AC.

# AUDIT COMMITTEE REPORT

## INTERNAL AUDIT

The Group Internal Audit Function that was outsourced to Messrs. Omar Arif & Co. conducted the audit activities as planned in the Internal Audit Memorandum. Their scope of audit also covers Related Party Transactions ("RPT").

On annual basis, the Internal Auditors presented their audit plan to the AC for review and approval. The audit findings and reports are presented to the AC members at all the AC meetings held during the financial year ended 31 March 2021. Their reports cover the status and progress of their assignments, audit recommendations, management's response and the outcome of the procedural review on RPT. Follow up audit reports were also presented to the AC.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2021 are RM50,880.

## SUMMARY OF ACTIVITIES

The AC carried out the following activities during the financial year under review:

Financial Reporting and Compliance

- Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:

  (i) significant and unusual events;
  (ii) changes in or implementation of major accounting policy; and
  (iii) compliance with accounting standards and other legal requirements.

- Reviewed the Group's quarterly results and year-end financial statements with applicable approved and new accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.

- Reviewed the Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for insertion into the Annual Report 2020.

Internal Audit and Risk Management

- Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.

- Reviewed and assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management's responses to key areas and proposed recommendations for improvements to be implemented.

- Reviewed the audit report prepared by the Internal Auditors, considered their material findings and assessed the Management's responses and action.

- Considered the renewal of Internal Audit engagement.

- Reviewed the Internal Audit Report in the areas of Procurement, Trucking, Invoicing, Payment, Credit Management, Information Technology Management and Ocean Freight Forwarding.

External Audit

- Reviewed the External Audit Plan for the Company and the Group with the External Auditors to ensure the audit scope and activities are adequately covered.

- Reviewed the proposed final audit fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group.

- Considered the re-appointment of the External Auditors.

- Met with the External Auditors twice a year without the presence of the executive Board members and the management.

- Assessed the suitability, performance and independence of the External Auditors in accordance to the criteria set out in the policy and procedures of the Company.

Related Party Transaction

- 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 the LR.

- Reviewed the policies, procedures and processes established for related party transactions.

- Reviewed the Recurrent Related Party Transactions circular and recommend to the Board to seek shareholders' approval for renewal of shareholders' mandate.

## OTHER INFORMATION

The Nominating Committee had on 27 January 2021 reviewed the term of office of the AC Members and assessed the performance of the AC and its Members through an annual Board Committee effectiveness assessment. The Nominating Committee is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference. The result of the assessment was reported to the Board and the Board is in concurrence with the Nominating Committee with regard to the performance of the AC and its Members.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's system of risk management and internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control. The system of risk management and internal control is designed to manage and minimise the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The adequacy and effectiveness of the Group's risk management, internal control and governance process are reviewed and monitored by the Audit Committee, which receives regular reports from the internal auditors. Formal procedures are in place for actions to be taken to remedy any significant failings or weaknesses in these reports.

The Board has also received assurance from the Group Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspect based on the risk management and internal control system of the Group.

Based on the foregoing, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system.

The Group's system of risk management and internal control does not apply to its joint venture company and associated company because the Group does not have full management control over them.

The internal control system of the Group has three (3) components as described below. The system has been put in place for the financial year under review and up to the date of approval of the Annual Report and Financial Statements.

## CONTINUOUS PROCESS

The Board takes cognisance of the continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key elements of the Group's internal control system covers the following:

- Organisation structure are properly drawn up according to functions with clear defined delegation of responsibilities to the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- 6 branches in the Group, Shah Alam Logistics Centre, Penang Prai Logistics Centre, Port Klang Logistics Centre, Penang Air Logistics Centre, KLIA Air Logistics Centre and Berjaya Industrial Logistics Centre were accredited ISO 9001:2015 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Documented guidelines on operating procedures have been put in place for relevant departments;
- Regular information are provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Budgeting and forecasting system governed by Group's policies;
- Regular internal audit visits and other specific assignments, if the need arises, assigned by the Audit Committee;
- The Audit Committee holds regular meetings with the management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management;
- Established the Code of Conduct documenting and communicating the ethical principles and expected standard of conducts for and to all the personnel within the Group; and
- Implementation of a written Whistle Blowing Policy which set out formal channels through which relevant matters may be raised by concerned parties.

There are no material losses incurred during the financial year as a result of weaknesses in internal control. The management will continue to take adequate measures to strengthen the control environment in which the Group operates.

## INTERNAL AUDIT

The Group has outsourced the Internal Audit Function to an independent professional firm, Messrs Omar Arif and Co. which reports to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls. The Internal Auditor provides an independent, objective assurance and advisory services that add value and improve the operations by:

- Ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- Ensuring the adequacy and effectiveness of internal control systems for safeguarding of assets and providing consistent, accurate financial and operational data;
- Promoting risk awareness and the value and nature of an effective internal control system;
- Ensuring compliance with laws, regulations, corporate policies and procedures; and
- Assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations.

The Internal Audit Function focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee.

The Internal Audit Function is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

## RISK MANAGEMENT

The Group seeks to respond to the risks inherent in its business operations through supervisory departments, which address operating risks in each business division, and through the establishment of internal rules geared to each risk. The Board has set up Risk Management Committee to underpin an integrated internal control system appropriate for the entire organisation and continues to enhance risk management practices where necessary by ascertaining the status of such practices on a regular basis. Activities of Risk Management Committee include:

- Ensuring the Company implements a comprehensive system of risk identification, assessment and management;
- Forms an integral part of the Group's structure and design to identify, assess, monitor and manage risks;
- Regularly reviews the risks factors applicable to the Group; and
- Ensuring that procedures, which effectively and efficiently manage these risks within the particular context of the Group's business strategy and the environment in which the Group operates, are set in place.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. AUDIT FEES AND NON-AUDIT FEES

During the financial year ended 31 March 2021, the amount of audit fees and non-audit fees paid or payable by the Company and the Group to external auditors are as follows:

| | Group RM | Company RM |
|---|---|---|
| Audit Fees | RM254,040 | RM105,206 |
| Non-Audit Fees | RM73,670 | RM73,670 |

## 2. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

Other than the related party transactions disclosed in the Annual Report, there were no material contracts entered into by the Group during the year which involved the interests of Directors or substantial shareholders.

## 3. RECURRENT RELATED PARTY TRANSACTION

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2021 are as follows:

| No. | Nature of Transactions | Transacting Parties | Interested Related Parties | Aggregate Value (RM'000) |
|---|---|---|---|---|
| 1 | Various agency agreements entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitate the operations of each other. | TASCO/NYK Group, NYK, YLK and YLSG | Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG | Sales :180,430<br>Purchases:114,207 |
| 2 | Various staff secondment agreements entered into between TASCO and the NYK Group's subsidiaries whereby NYK Group's subsidiaries agree to second and TASCO agrees to engage the expatriate who shall be regarded as a member of TASCO's staff and shall be subject to TASCO's rules and regulations. | TASCO/NYK Group, NYK, YLK and YLSG | Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG | 1,513 |
| 3 | Software agreement entered into between TASCO and the NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services. | TASCO/NYK Group, NYK, YLK, YLSG | Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG | 2,512 |
| 4 | Management service agreements entered into between TASCO and the NYK Group's subsidiaries for the provision of business development, sales, marketing and related activities by NYK Group to TASCO. | TASCO/NYK Group, NYK, YLK, YLSG | Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG | 9,717 |
| 5 | Provision of freight services by NYK Group's subsidiaries to TASCO. | TASCO/NYK Group, NYK, YLK, YLSG | Mr. Norihiko Yamada[1], NYK Group[3], YLK and YLSG | 29,248 |

Notes:
1. Mr. Norihiko Yamada was seconded to TASCO from YLK and was appointed as Executive Director on 1 April 2019.
2. NYK denotes Nippon Yusen Kabushiki Kaisha, the ultimate holding company of TASCO.
3. NYK Group denotes NYK's subsidiary companies and affiliates.

# CALENDAR OF EVENTS 2020/21

## 15 JULY 2020

Launching of Safety Campaign FY2020

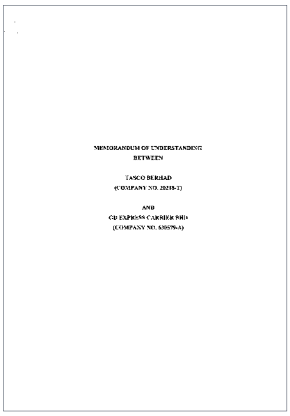


## 15 SEPTEMBER 2020

Our Company convened the 45th Annual General Meeting in our Corporate Head Office. The shareholders actively participated in the meeting and all resolutions were passed at the meeting.

## 22 OCTOBER 2020

TASCO Yusen Gold Cold Sdn Bhd ("TYGC") has earned the 2020 Malaysia Temperature-Controlled Logistics Company of the Year Award from Frost & Sullivan.

MEMORANDUM OF UNDERSTANDING
BETWEEN

TASCO BERHAD
(COMPANY NO. 20218-T)

AND

GD EXPRESS CARRIER BHD
(COMPANY NO. 630579-A)

## 8 DECEMBER 2020

The Company entered into a Memorandum of Understanding with GDex.

## 25 FEBRUARY 2021

Our Company convened the Virtual Extraordinary General Meeting with the broadcast venue in our Corporate Head Office.

# CALENDAR OF EVENTS

## 16 MARCH 2021

The Company received a special recognition, "Best Support Through COVID-19" (Weathering The Storm with BAT) from British American Tobacco as a token of appreciation for our exceptional support during 2020.


## 1 APRIL 2021

The Company entered into a Memorandum of Understanding with MAB Kargo Sdn Bhd.

## 21 FEBRUARY 2021

TYGC entered into a conditional shares sale agreement for the acquisition of 1,285,000 ordinary shares in Hypercold Logistics Sdn Bhd ("Hypercold").

TYGC entered into a shareholders' agreement with Swift Integrated Logistics Sdh Bhd ("SILSB") to regulate the affairs of Hypercold and the respective rights of TYGC and SILSB as shareholders of Hypercold.

## 1 JULY 2021

The arrival of one million doses of AstraZeneca vaccine donated by Japan to Malaysia. TASCO provided the Air Freight services on the transportation of the AZ vaccine.



## 13 JULY 2021

TYGC received Letter of Recommendation to Good Distribution Practice (GDP) – 3rd Edition – 1st January 2018 from AGM Certification Sdn Bhd


AGM

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# FINANCIAL STATEMENTS

# CORPORATE INFORMATION

| | | |
|---|---|---|
| **DOMICILE** | : | Malaysia |
| **LEGAL FORM AND PLACE OF INCORPORATION** | : | Public company limited by way of shares incorporated in Malaysia under the Companies Act 2016 |
| **REGISTERED OFFICE** | : | 802, 8th Floor<br>Block C, Kelana Square<br>17 Jalan SS7/26<br>47301 Petaling Jaya<br>Selangor Darul Ehsan |
| **PRINCIPAL PLACE OF BUSINESS** | : | Lot No.1A, Persiaran Jubli Perak<br>Jalan 22/1, Seksyen 22<br>40300 Shah Alam<br>Selangor Darul Ehsan |

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business as an integrated logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 8 to the financial statements.

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

## RESULTS

| | Group RM | Company RM |
|---|---|---|
| Profit for the financial year | 43,669,312 | 33,466,914 |
| Attributable to: | | |
| Owners of the Company | 41,273,994 | 33,466,914 |
| Non-controlling interests | 2,395,318 | - |
| | 43,669,312 | 33,466,914 |

## DIVIDENDS

During the financial year, the Company paid:

- a single-tier dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2020; and
- interim single-tier dividend of 2.00 sen per ordinary share amounting to RM4,000,000 in respect of financial year ended 31 March 2021.

On 3 May 2021, the directors declared a final single-tier dividend of 1.25 sen per ordinary share amounting to RM10,000,000* in respect of the financial year ended 31 March 2021.

** Based on enlarged share capital of 800,000,000 after share split.*

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid up share capital of the Company was increased from 200,000,000 ordinary shares to 800,000,000 ordinary shares by way of an issue of 600,000,000 new ordinary shares by way of subdivision of every 1 existing share into 4 subdivided shares ("Share Split").

Save as above, there was no other change in the issued and paid-up capital of the Company, nor issuances of debentures by the Company, during the financial year.

## SHARE OPTIONS

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

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the statements of changes in equity set out on pages 85 and 86.

## ULTIMATE HOLDING COMPANY

The directors regard Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange, as the ultimate holding company.

## DIRECTORS

The directors in office during the year commencing from the beginning of the financial year to the date of this report are as follows:

Mr Lee Check Poh
Mr Raymond Cha Kar Siang
Mr Kwong Hoi Meng
Mr Raippan s/o Yagappan @ Raiappan Peter
Mr Tan Kim Yong
Mr Lim Jew Kiat
Mr Lee Wan Kai
Datuk Dr Wong Lai Sum
Mr Norihiko Yamada

## DIRECTORS OF SUBSIDIARY COMPANIES

The following are directors of the subsidiary companies (excluding directors who are also directors of the Company) during the financial year until the date of this report:

Encik Haris Fazail Bin Haroon
Encik Shawaludin Bin Dol
Mr Tai Kain Fatt
Mr Rikiya Kanamori

## DIRECTORS' INTERESTS IN SHARES

The following directors, who held office at the end of the financial year, had interests in shares in the Company and its related corporations are as follows:

| | No. of ordinary shares | | | | |
|---|---|---|---|---|---|
| **The Company** | **At 1.4.2020** | **Share split** | **Bought** | **Sold** | **At 31.3.2021** |
| Mr Lee Check Poh - deemed interest[1] | 19,660,876 | 58,982,628 | - | - | 78,643,504 |
| Mr Tan Kim Yong - direct interest | 60,000 | 180,000 | - | - | 240,000 |
| Mr Lim Jew Kiat - direct interest | 120,000 | 360,000 | - | - | 480,000 |
| Mr Raymond Cha Kar Siang - direct interest | 22,000 | 66,000 | - | - | 88,000 |
| Mr Kwong Hoi Meng - direct interest | 22,000 | 66,000 | - | - | 88,000 |
| Mr Raippan s/o Yagappan @ Raiappan Peter - direct interest | 22,000 | 66,000 | - | - | 88,000 |
| Mr Lee Wan Kai - direct interest | 20,000 | 60,000 | - | - | 80,000 |
| Subsidiary - Omega Saujana Sdn Bhd | | | | | |
| Mr Lee Check Poh - direct interest | 49,000 | - | - | - | 49,000 |
| Subsidiary - Piala Kristal (M) Sdn Bhd | | | | | |
| Mr Lee Check Poh - direct interest | 49,000 | - | - | - | 49,000 |

[1] *Deemed interest by virtue of his equity interest in Real Fortune Portfolio Sdn Bhd.*

The other directors in office at the end of financial year, did not have any interest in shares in the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

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.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company; and other benefits as set out below) by reason of a contract made by the Company or a related corporation with a 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.

Directors' remuneration and other benefits are as follows:

| | **Company RM** |
|---|---|
| Directors' fee | 204,000 |
| Other emoluments | 4,420,656 |
| Contribution to post-employment benefits | 497,744 |

## INDEMNITY

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and officers of the Company are RM5,000,000 and RM12,000 respectively.

## OTHER INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

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

At the date of this report, the directors are not aware of any circumstances:

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

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

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

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

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

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

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

## SIGNIFICANT EVENTS

Details of significant events are disclosed in note 43 to the financial statements.

## SUBSEQUENT EVENTS AFTER YEAR END

Details of subsequent events after the year end are disclosed in note 44 to the financial statements.

## AUDITORS

Auditors' remuneration is set out in note 28 to the financial statements.

The auditors, Mazars PLT, Chartered Accountants, have expressed their willingness to accept re-appointment.

To the extent permitted by laws, the Company has agreed to indemnify its auditors, as part of the terms of its audit engagement, against claims arising from the audit. No payment has been made to indemnify the auditors for the current financial period.

## APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the board of directors, and signed on behalf of the board of directors in accordance with a directors' resolution.

**LEE CHECK POH**
Director

**LEE WAN KAI**
Director

Kuala Lumpur

Date: 27 May 2021

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD
(INCOPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 80 to 153.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

*Basis for Opinion*

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

*Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Impairment of goodwill

*The risk:*

As at 31 March 2021, the Group had goodwill of RM81,864,054 arising from the acquisition of Gold Cold Transport Sdn Bhd ("GCT") in previous years, which represented 9% of the Group's total assets. Goodwill is allocated to the cold chain business of GCT which represents the cash generating unit ("CGU") for impairment testing purposes. Recoverable amount of CGU is determined using the value-in-use method.

Refer to notes 3(i), 4(f)(a) and 7 to the financial statements.

We focus on this area as the assessment of recoverable amount of the CGU involved the use of significant accounting estimates and assumptions in arriving the discounted cash flow projection using value-in-use method. Therefore, impairment testing of goodwill is considered as a key audit matter.

*How the matter was addressed in our audit:*

To address the matter identified, we evaluated the cash flow projection by assessing the reasonableness of the key assumptions such as forecasted revenue growth rates applied by management and our understanding of the historical performance of GCT and available economic data. With the support of our internal specialist, we assessed the appropriateness of the discount rate used in determining the recoverable amounts of the CGU by comparing to market sources. We tested the sensitivity of the cash flow projection to evaluate the corresponding effect on the recoverable amount due to the possible changes in the key assumptions

(b) Revenue recognition

*The risk:*

The revenue of the Group and of the Company for the financial year ended 31 March 2021 amounted to RM946,612,167 and RM820,553,792 respectively.

The Group and the Company are involved in the operation of integrated logistics solutions provider. We have identified revenue recognition as a key audit matter, particularly in respect of the occurrence of services rendered and the appropriateness of the timing of revenue recognition with transactions occurring on or near year-end. Some of the revenue streams of the Group and of the Company depict recognition of revenue over time, based on the progress towards the completion of each performance obligation at the reporting date.

Due to the significant volume of above transactions, there is a risk that revenue could be recognised in the incorrect period for transactions occurring near or at the year end.

The Group's and the Company's disclosures about revenue recognition are included in notes 4(i) and 26 to the financial statements.

*How the matter was addressed in our audit:*

To address the matters identified, we assessed the design and the implementation of the Group's and of the Company's key controls over revenue recognition and tested the operating effectiveness of identified controls. We evaluated the compliance of the revenue recognition criteria in accordance with accounting standard and reviewed the quantification of cut off adjustments made to the financial statements. We also tested revenue transactions by inspecting source documents using sampling techniques. The procedures covered testing the occurrence and timing of recording individual transactions. For transactions close to the period end, we tested the cut-off procedures on sampling basis and reviewed credit notes issued to customers after year end to ascertain whether revenue is recognised in the correct period.

*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 Directors' Report, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, however, other information to be included in the Annual Report, are expected to be made available to us after that date.

Other information 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 on the other information that we obtained prior to the date of this auditors' report, 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, is disclosed in note 8 to the financial statements.

**Other Matter**

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.

**MAZARS PLT**
201706000496 (LLP0010622-LCA)
AF 001954
Chartered Accountants

**FRANCIS XAVIER JOSEPH**
02997/06/2022 J
Chartered Accountant

Kuala Lumpur

Date: 27 May 2021

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

| | Note | 2021<br>RM | 2020<br>RM |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 515,401,863 | 503,247,355 |
| Right-of-use assets | 6 | 19,524,288 | 13,076,097 |
| Goodwill | 7 | 81,864,054 | 81,864,054 |
| Investment in associated company | 9 | 3,196,691 | 3,047,985 |
| Investment in a joint venture | 10 | 3,432,220 | 3,288,980 |
| Other assets | | 924,204 | 1,008,204 |
| Deferred tax assets | | 6998 | - |
| **Total non-current assets** | | 624,350,318 | 605,532,675 |
| **Current assets** | | | |
| Trade receivables | 13 | 169,446,656 | 114,514,656 |
| Other receivables, deposits and prepayments | 14 | 20,784,835 | 18,658,247 |
| Amount owing by immediate holding company | 15 | 6,761,282 | 4,102,320 |
| Amounts owing by related companies | 16 | 22,312,990 | 6,587,604 |
| Amount owing by associated company | 9 | 50,000 | 54,800 |
| Amount owing by a joint venture | 10 | 447,272 | 833,671 |
| Current tax assets | | 497,096 | 2,014,561 |
| Short term investments | 17 | 5,438,139 | 5,329,513 |
| Fixed deposits with licenced banks | 18 | 33,104,986 | 78,628,142 |
| Cash and bank balances | 19 | 77,832,946 | 113,153,309 |
| **Total current assets** | | 336,676,202 | 343,876,823 |
| **TOTAL ASSETS** | | 961,026,520 | 949,409,498 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021 RM | 2020 RM |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 20 | 100,801,317 | 100,801,317 |
| Revaluation reserve | | 1,400,591 | 1,400,591 |
| Exchange translation reserve | | - | (643,844) |
| Fair value reserve | | (64,999) | (64,999) |
| Retained earnings | | 367,463,131 | 334,189,137 |
| Equity attributable to owners of the Company | | 469,600,040 | 435,682,202 |
| Non-controlling interests | | 66,971,960 | 64,576,642 |
| **Total equity** | | 536,572,000 | 500,258,844 |
| **Non-current liabilities** | | | |
| Amount owing to corporate shareholder of subsidiary company | 21 | 4,573,172 | 4,945,172 |
| Lease liabilities | 6 | 10,704,697 | 4,273,776 |
| Hire purchase payables | 22 | - | 10,173 |
| Bank term loans | 23 | 216,601,250 | 245,169,934 |
| Deferred tax liabilities | 11 | 22,882,200 | 23,954,306 |
| **Total non-current liabilities** | | 254,761,319 | 278,353,361 |
| **Current liabilities** | | | |
| Trade payables | 24 | 65,669,077 | 46,760,294 |
| Other payables, deposits and accruals | 25 | 42,218,317 | 28,849,507 |
| Amount owing to immediate holding company | 15 | 2,663,082 | 1,588,549 |
| Amounts owing to related companies | 16 | 16,501,689 | 5,340,283 |
| Amount owing to corporate shareholder of subsidiary company | 21 | 478,523 | 487,332 |
| Lease liabilities | 6 | 9,017,240 | 9,046,505 |
| Hire purchase payables | 22 | - | 218,485 |
| Bank term loans | 23 | 29,874,727 | 78,180,944 |
| Current tax liabilities | | 3,270,546 | 325,394 |
| **Total current liabilities** | | 169,693,201 | 170,797,293 |
| **Total liabilities** | | 424,454,520 | 449,150,654 |
| **TOTAL EQUITY AND LIABILITIES** | | 961,026,520 | 949,409,498 |

The accompanying notes form an integral part of the financial statements

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

| | Note | 2021 RM | 2020 RM |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 290,674,347 | 295,650,721 |
| Right-of-use assets | 6 | 15,784,123 | 7,746,228 |
| Investment in subsidiary companies | 8 | 107,689,939 | 107,689,939 |
| Investment in associated company | 9 | 3,000,000 | 3,000,000 |
| Investment in a joint venture | 10 | 3,480,000 | 3,480,000 |
| Amounts owing by subsidiary companies | 12 | 24,200,330 | 11,538,734 |
| Other assets | | 924,204 | 1,008,204 |
| **Total non-current assets** | | 445,752,943 | 430,113,826 |
| **Current assets** | | | |
| Trade receivables | 13 | 137,310,182 | 89,523,004 |
| Other receivables, deposits and prepayments | 14 | 15,094,668 | 12,342,951 |
| Amount owing by immediate holding company | 15 | 6,761,282 | 4,102,320 |
| Amounts owing by subsidiary companies | 12 | 31,749,195 | 96,714,941 |
| Amounts owing by related companies | 16 | 22,312,990 | 6,587,604 |
| Amount owing by associated company | 9 | 50,000 | 54,800 |
| Amount owing by a joint venture | 10 | 132,837 | 241,176 |
| Current tax asset | | - | 626,868 |
| Fixed deposits with licensed banks | 18 | 29,300,000 | 54,534,769 |
| Cash and bank balances | 19 | 50,690,706 | 50,971,991 |
| **Total current assets** | | 293,401,860 | 315,700,424 |
| **TOTAL ASSETS** | | 739,154,803 | 745,814,250 |

# STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021<br>RM | 2020<br>RM |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 20 | 100,801,317 | 100,801,317 |
| Fair value reserve | | (64,999) | (64,999) |
| Retained earnings | | 237,475,488 | 212,008,574 |
| **Total equity** | | 338,211,806 | 312,744,892 |
| **Non-current liabilities** | | | |
| Lease liabilities | 6 | 8,861,587 | 605,753 |
| Bank term loans | 23 | 188,233,340 | 212,700,003 |
| Deferred tax liability | 11 | 9,476,919 | 9,341,996 |
| **Total non-current liabilities** | | 206,571,846 | 222,647,752 |
| **Current liabilities** | | | |
| Trade payables | 24 | 56,855,587 | 38,078,114 |
| Other payables, deposits and accruals | 25 | 31,799,816 | 26,511,047 |
| Amount owing to immediate holding company | 15 | 2,663,082 | 1,588,549 |
| Amounts owing to subsidiary companies | 12 | 51,986,778 | 58,825,296 |
| Amounts owing to related companies | 16 | 16,501,689 | 5,340,283 |
| Lease liabilities | 6 | 7,018,319 | 7,311,653 |
| Bank term loans | 23 | 24,466,663 | 72,766,664 |
| Current tax liabilities | | 3,079,217 | - |
| **Total current liabilities** | | 194,371,151 | 210,421,606 |
| **Total liabilities** | | 400,942,997 | 433,069,358 |
| **TOTAL EQUITY AND LIABILITIES** | | 739,154,803 | 745,814,250 |

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Group 2021 RM | Group 2020 RM | Company 2021 RM | Company 2020 RM |
|---|---|---|---|---|---|
| Revenue | 26 | 946,612,167 | 747,438,303 | 820,553,792 | 641,528,761 |
| Cost of sales | | (795,446,580) | (638,136,490) | (694,491,547) | (551,216,669) |
| Gross profit | | 151,165,587 | 109,301,813 | 126,062,245 | 90,312,092 |
| Other income | 27 | 4,447,915 | 7,044,245 | 2,998,374 | 10,277,022 |
| Administrative and general expenses | | (80,819,116) | (77,098,623) | (69,088,022) | (68,439,800) |
| Profit from operations | 28 | 74,794,386 | 39,247,435 | 59,972,597 | 32,149,314 |
| Finance costs | 29 | (14,396,928) | (18,347,594) | (12,667,175) | (16,056,314) |
| Share of results of associated company and joint venture | | 291,946 | (302,060) | - | - |
| Profit before tax | | 60,689,404 | 20,597,781 | 47,305,422 | 16,093,000 |
| Tax expense | 30 | (17,020,092) | (10,691,638) | (13,838,508) | (8,746,871) |
| Profit for the year | | 43,669,312 | 9,906,143 | 33,466,914 | 7,346,129 |
| Other comprehensive income/(loss): | | | | | |
| *Items that will be reclassified subsequently to profit or loss:* | | | | | |
| Exchange difference on translation of foreign operation | | 643,844 | (602,165) | - | - |
| Fair value adjustment on cash flow hedge | | - | 10,941 | - | 10,941 |
| Other comprehensive income/(loss) for the year, net of tax | | 643,844 | (591,224) | - | 10,941 |
| Total comprehensive income for the year | | 44,313,156 | 9,314,919 | 33,466,914 | 7,357,070 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 41,273,994 | 8,891,310 | 33,466,914 | 7,346,129 |
| Non-controlling interests | | 2,395,318 | 1,014,833 | - | - |
| Profit for the year | | 43,669,312 | 9,906,143 | 33,466,914 | 7,346,129 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 41,917,838 | 8,300,086 | 33,466,914 | 7,357,070 |
| Non-controlling interests | | 2,395,318 | 1,014,833 | - | - |
| Total comprehensive income for the year | | 44,313,156 | 9,314,919 | 33,466,914 | 7,357,070 |
| Basic earnings per share attributable to owners of the Company (sen per share) | 31 | 5.16 | 1.11 | | |

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Share capital RM | Revaluation reserve RM | Hedge reserve RM | Exchange translation reserve RM | Fair value reserve RM | Retained earnings RM | Total RM | Non-controlling interests RM | Total equity RM |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Attributable to owners of the Company | | | | | | | | |
| | | Non distributable | | | | | Distributable | | | |
| **Group** | | | | | | | | | | |
| Balance at 1 April 2019 | | 100,801,317 | 1,400,591 | (10,941) | (41,679) | (64,999) | 269,172,930 | 371,257,219 | 1,636,706 | 372,893,925 |
| Total comprehensive income for the year | | - | - | 10,941 | (602,165) | - | 8,891,310 | 8,300,086 | 1,014,833 | 9,314,919 |
| Dividends paid | 32 | - | - | - | - | - | (5,000,000) | (5,000,000) | - | (5,000,000) |
| Dividend paid to non-controlling interest of a subsidiary company | | - | - | - | - | - | - | - | (1,950,000) | (1,950,000) |
| Accretion from issuance of shares by a subsidiary to non-controlling interest | | - | - | - | - | - | 61,124,897 | 61,124,897 | 63,875,103 | 125,000,000 |
| Balance at 31 March 2020 | | 100,801,317 | 1,400,591 | - | (643,844) | (64,999) | 334,189,137 | 435,682,202 | 64,576,642 | 500,258,844 |
| Total comprehensive income for the year | | - | - | - | 643,844 | - | 41,273,994 | 41,917,838 | 2,395,318 | 44,313,156 |
| Dividends paid | 32 | - | - | - | - | - | (8,000,000) | (8,000,000) | - | (8,000,000) |
| Balance at 31 March 2021 | | 100,801,317 | 1,400,591 | - | - | (64,999) | 367,463,131 | 469,600,040 | 66,971,960 | 536,572,000 |

The accompanying notes form an integral part of the financial statements

# STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | ← Non distributable | | → | Distributable | |
|---|---|---|---|---|---|---|
| | | Share capital RM | Hedge reserve RM | Fair value reserve RM | Retained earnings RM | Total equity RM |
| **Company** | | | | | | |
| Balance at 1 April 2019 | | 100,801,317 | (10,941) | (64,999) | 209,662,445 | 310,387,822 |
| Total comprehensive income for the year | | - | 10,941 | - | 7,346,129 | 7,357,070 |
| Dividends paid | 32 | - | - | - | (5,000,000) | (5,000,000) |
| Balance at 31 March 2020 | | 100,801,317 | - | (64,999) | 212,008,574 | 312,744,892 |
| Total comprehensive income for the year | | - | - | - | 33,466,914 | 33,466,914 |
| Dividends paid | 32 | - | - | - | (8,000,000) | (8,000,000) |
| Balance at 31 March 2021 | | 100,801,317 | - | (64,999) | 237,475,488 | 338,211,806 |

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Profit before tax | 60,689,404 | 20,597,781 | 47,305,422 | 16,093,000 |
| Adjustments for: | | | | |
| Allowance for doubtful debts | 362,401 | 702,780 | 325,198 | 617,130 |
| Bad debts written off | 147,213 | 196,771 | 147,213 | 624,899 |
| Depreciation of property, plant and equipment | 28,441,764 | 31,002,867 | 16,730,551 | 18,762,059 |
| Depreciation of right-of-use assets | 11,071,947 | 9,677,389 | 9,266,469 | 8,039,440 |
| Gain on disposal of property, plant and equipment | (809,323) | (648,816) | (281,771) | (405,817) |
| Gain on early termination of lease contracts | (3,835) | - | - | - |
| Fair value gain on short term investments | (108,626) | (174,436) | - | - |
| Property, plant and equipment written off | 194,208 | 58,618 | 194,207 | 58,618 |
| Other investment written off | 18,000 | - | 18,000 | - |
| Loss on disposal of other investment | 42,000 | - | 42,000 | - |
| Share of results of associated company and joint venture | (291,946) | 302,060 | - | - |
| Interest income | (1,201,064) | (3,569,988) | (1,348,755) | (2,132,964) |
| Dividend income | (36,600) | - | (36,600) | (4,550,000) |
| Interest expense | 14,396,928 | 18,347,594 | 12,667,175 | 16,056,314 |
| Loss on derecognition of subsidiary | 824,860 | - | - | - |
| Unrealised loss/(gain) on foreign exchange | 2,404,500 | (1,219,222) | 2,404,500 | (1,219,222) |
| Operating profit before working capital changes | 116,141,831 | 75,273,398 | 87,433,609 | 51,943,457 |
| Changes in receivables | (75,654,699) | 3,898,981 | (69,860,356) | 741,615 |
| Changes in payables | 44,479,662 | (6,923,397) | 38,524,324 | (3,581,991) |
| Cash generated from operations | 84,966,794 | 72,248,982 | 56,097,577 | 49,103,081 |
| Interest received | 952,139 | 1,540,298 | 550,070 | 1,395,175 |
| Net tax (paid)/refund | (13,636,579) | (3,323,074) | (9,997,500) | 378,493 |
| Net cash generated from operating activities | 72,282,354 | 70,466,206 | 46,650,147 | 50,876,749 |

# STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Group 2021 RM | Group 2020 RM | Company 2021 RM | Company 2020 RM |
|---|---|---|---|---|---|
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of property, plant and equipment | 33 | (41,100,888) | (8,906,592) | (12,199,240) | (5,943,102) |
| Proceeds from disposal of property, plant and equipment | | 989,152 | 1,569,714 | 410,075 | 7,194,052 |
| Proceeds from disposal of other investment | | 24,000 | - | 24,000 | - |
| Deposit paid for acquisition of leasehold lands | | - | (2,900,910) | - | - |
| Repayment from a joint venture | | - | 2,400,000 | - | 2,400,000 |
| Repayment from subsidiary companies | | - | - | 53,593,835 | 62,322,490 |
| Advances to associated company | | - | (40,000) | - | (40,000) |
| Interest received | | 248,925 | 2,029,690 | 819,242 | 468,682 |
| Dividends received | | 36,600 | - | 36,600 | 4,550,000 |
| Net cash outflow on derecognition of subsidiary | 37 | (44,992) | - | - | - |
| Net cash (used in)/generated from investing activities | | (39,847,203) | (5,848,098) | 42,684,512 | 70,952,122 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Repayment of term loans | | (76,874,901) | (25,585,782) | (72,766,664) | (22,058,667) |
| Repayment of revolving credits | | - | (20,000,000) | - | (20,000,000) |
| Repayment of hire purchase payables | | (228,658) | (1,103,723) | - | - |
| Repayment of lease liabilities | | (11,114,647) | (9,433,205) | (9,341,864) | (7,868,262) |
| Repayment to subsidiary companies | | - | - | (9,792,283) | (1,453,400) |
| (Repayment to)/Advances from corporate shareholder of a subsidiary company | | (372,000) | 5,317,172 | - | - |
| Interest paid | | (14,405,737) | (18,232,262) | (12,667,175) | (16,056,314) |
| Dividends paid | | (8,000,000) | (5,000,000) | (8,000,000) | (5,000,000) |
| Dividend paid to non-controlling interest of a subsidiary company | | - | (1,950,000) | - | - |
| Proceeds from issuance of shares by a subsidiary to non-controlling interest | | - | 125,000,000 | - | - |
| Net cash (used in)/generated from financing activities | | (110,995,943) | 49,012,200 | (112,567,986) | (72,436,643) |

## STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Group 2021 RM | Group 2020 RM | Company 2021 RM | Company 2020 RM |
|---|---|---|---|---|---|
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | (78,560,792) | 113,630,308 | (23,233,327) | 49,392,228 |
| **CASH AND CASH EQUIVALENTS BROUGHT FORWARD** | | 191,781,451 | 77,178,635 | 105,506,760 | 55,142,024 |
| **EFFECT OF EXCHANGE RATE CHANGES** | | (2,282,727) | 972,508 | (2,282,727) | 972,508 |
| **CASH AND CASH EQUIVALENTS CARRIED FORWARD** | | 110,937,932 | 191,781,451 | 79,990,706 | 105,506,760 |
| Represented by: | | | | | |
| Fixed deposits with licensed banks | | 33,104,986 | 78,628,142 | 29,300,000 | 54,534,769 |
| Cash and bank balances | | 77,832,946 | 113,153,309 | 50,690,706 | 50,971,991 |
| | | 110,937,932 | 191,781,451 | 79,990,706 | 105,506,760 |

Note (a):

Reconciliation of liabilities arising from financing activities

| **2021 Group** | **Term loans RM** | **Hire purchase payables RM** | **Lease liabilities RM** | **Amounts owing to corporate shareholder of subsidiary company RM** | **Total RM** |
|---|---|---|---|---|---|
| At beginning of financial year | 323,350,878 | 228,658 | 13,320,281 | 5,432,504 | 342,332,321 |
| *Cash flows:* | | | | | |
| Repayment of term loans | (76,874,901) | - | - | - | (76,874,901) |
| Repayment of hire purchase payables | - | (228,658) | - | - | (228,658) |
| Repayment of lease liabilities | - | - | (11,114,647) | - | (11,114,647) |
| Repayment to corporate shareholder of subsidiary company | - | - | - | (372,000) | (372,000) |
| Interest paid | (13,609,057) | (5,033) | (505,653) | (285,994) | (14,405,737) |
| *Non-cash changes:* | | | | | |
| Interest expenses | 13,609,057 | 5,033 | 505,653 | 277,185 | 14,396,928 |
| Termination of lease contracts | - | - | (162,708) | - | (162,708) |
| Additions of lease liabilities | - | - | 17,679,011 | - | 17,679,011 |
| At end of financial year | 246,475,977 | - | 19,721,937 | 5,051,695 | 271,249,609 |

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

Note (a):

Reconciliation of liabilities arising from financing activities

| 2020 Group | Term loans RM | Revolving credits RM | Hire purchase payables RM | Lease liabilities RM | Amount owing to corporate shareholder of subsidiary company RM | Total RM |
|---|---|---|---|---|---|---|
| At beginning of financial year | 349,783,054 | 20,000,000 | 1,332,381 | - | - | 371,115,435 |
| *Cash flows:* | | | | | | |
| Advances received | - | - | - | - | 5,503,172 | 5,503,172 |
| Repayment of term loans | (25,585,782) | - | - | - | - | (25,585,782) |
| Repayment of revolving credits | - | (20,000,000) | - | - | - | (20,000,000) |
| Repayment of hire purchase payables | - | - | (1,103,723) | - | - | (1,103,723) |
| Repayment of lease liabilities | - | - | - | (9,433,205) | - | (9,433,205) |
| Repayment to corporate shareholder of subsidiary company | - | - | - | - | (186,000) | (186,000) |
| Interest paid | (17,140,045) | (270,773) | (34,530) | (717,564) | (69,350) | (18,232,262) |
| *Non-cash changes:* | | | | | | |
| Interest expenses | 17,140,045 | 270,773 | 34,530 | 717,564 | 184,682 | 18,347,594 |
| Realised gain on hedge of term loans | (846,394) | - | - | - | - | (846,394) |
| Effect of initial application of MFRS 16 Leases on 1 April 2019 | - | - | - | 20,929,986 | - | 20,929,986 |
| Additions of lease liabilities | - | - | - | 1,823,500 | - | 1,823,500 |
| At end of financial year | 323,350,878 | - | 228,658 | 13,320,281 | 5,432,504 | 342,332,321 |

| 2021 Company | Term loans RM | Amounts to owing subsidiary companies RM | Lease liabilities RM | Total RM |
|---|---|---|---|---|
| At beginning of financial year | 285,466,667 | 48,093,353 | 7,917,406 | 341,477,426 |
| *Cash flows:* | | | | |
| Repayment of term loans | (72,766,664) | - | - | (72,766,664) |
| Repayment to subsidiary companies | - | (9,792,283) | - | (9,792,283) |
| Repayment of lease liabilities | - | - | (9,341,864) | (9,341,864) |
| Interest paid | (12,306,640) | - | (360,535) | (12,667,175) |
| *Non-cash changes:* | | | | |
| Interest expenses | 12,306,640 | - | 360,535 | 12,667,175 |
| Additions of lease liabilities | - | - | 17,304,364 | 17,304,364 |
| At end of financial year | 212,700,003 | 38,301,070 | 15,879,906 | 266,880,979 |

The accompanying notes form an integral part of the financial statements

Note (a):

Reconciliation of liabilities arising from financing activities

| 2020 Company | Term loans RM | Revolving credits RM | Amounts owing to subsidiary companies RM | Lease liabilities RM | Total RM |
|---|---|---|---|---|---|
| At beginning of financial year | 308,371,728 | 20,000,000 | 49,546,753 | - | 377,918,481 |
| *Cash flows:* | | | | | |
| Repayment of term loans | (22,058,667) | - | - | - | (22,058,667) |
| Repayment of revolving credits | | (20,000,000) | - | - | (20,000,000) |
| Repayment to subsidiary companies | - | - | (1,453,400) | - | (1,453,400) |
| Repayment of lease liabilities | - | - | - | (7,868,262) | (7,868,262) |
| Interest paid | (15,242,735) | (270,773) | - | (542,806) | (16,056,314) |
| *Non-cash changes:* | | | | | |
| Interest expenses | 15,242,735 | 270,773 | - | 542,806 | 16,056,314 |
| Realised gain on hedge of term loans | (846,394) | - | - | - | (846,394) |
| Effect of initial application of MFRS 16 Leases on 1 April 2019 | - | - | - | 15,414,515 | 15,414,515 |
| Additions of lease liabilities | - | - | - | 371,153 | 371,153 |
| At end of financial year | 285,466,667 | - | 48,093,353 | 7,917,406 | 341,477,426 |

The accompanying notes form an integral part of the financial statements

## 1. GENERAL INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The Company is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The addresses of the principal place of business and registered office of the Company are disclosed on page 70.

The immediate and ultimate holding companies are Yusen Logistics Co., Ltd, a company incorporated in Japan and Nippon Yusen Kabushiki Kaisha, a company incorporated in Japan and listed on Tokyo Stock Exchange and Nagoya Stock Exchange.

The Company is principally engaged in the business as an integrated logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 8 to the financial statements.

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

## 2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Group’s and the Company’s functional currency.

The measurement bases applied in the preparation of the financial statements include historical cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

### (a) Application of new and revised standards

In the current financial year, the Group and the Company have applied a number of amendments that become effective mandatorily for the financial periods beginning on or after 1 April 2020.

The adoption of the amendments does not have significant impact on the financial statements of the Group and of the Company.

### (b) New or amended standards issued that are not yet effective

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

| | | **Effective for financial periods beginning on or after** |
|---|---|---|
| Amendment to MFRS 16 | Covid-19 - Related Rent Concessions | 1 June 2020 |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 | Interest Rate Benchmark Reform - Phase 2 | 1 January 2021 |
| Amendment to MFRS 16 | Covid-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141 | Annual Improvements to MFRS Standards 2018–2020 | 1 January 2022 |
| Amendments to MFRS 3 | Reference to the Conceptual Framework | 1 January 2022 |

## 2. BASIS OF PREPARATION (CONT'D)

### (b) New or amended standards issued that are not yet effective (Cont'd)

The Group and the Company have not applied the following amendments that have been issued by the MASB and relevant to their operations but are not yet effective (Cont'd):

| | | Effective for financial periods beginning on or after |
|---|---|---|
| Amendments to MFRS 116 | Property, Plant and Equipment – Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 | Onerous Contracts–Cost of Fulfilling a Contract | 1 January 2022 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 101 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be announced by the MASB |

The adoption of the above amendments are not expected to have significant impact on the financial position and financial performance of the Group and of the Company.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with MFRS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of asset and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

*Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*(i) Impairment of goodwill*

The Group reviews whether goodwill is impairment at least on an annual basis or on a more frequent basis if events or changes in circumstances indicate that the carrying amount may be impaired.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

*Key sources of estimation uncertainty (Cont'd)*

*(i) Impairment of goodwill (Cont'd)*

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating unit ("CGU") that is expected to benefit from synergies of the business combination.

The recoverable amount of the CGU is determined using the value-in-use method which requires significant management estimations. Changes in the assumptions used by the management in assessing the impairment could materially affect the net present value of the goodwill and may result in recognition of impairment loss.

The carrying amount of goodwill as at 31 March 2021 is disclosed in note 7 to the financial statements.

*(ii) Impairment of trade receivables*

Management assesses the expected credit losses ("ECL") for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies the simplified approach of MFRS 9 Financial Instruments in assessing the ECL for trade receivables.

In determining the ECL, management uses the historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management also considers, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors, including the impact of Covid-19 outbreak, will affect the ECL on trade receivables.

The ECL on trade receivables as at current reporting date is primarily based upon the recent credit loss circumstances and foreseeable Covid-19 related impact on the industry and the country's economics.

The carrying amount of trade receivables is disclosed in note 40 to the financial statements.

*(iii) Depreciation of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be from 5 to 99 years.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

The carrying amounts of the Group's and Company's property, plant and equipment, as at 31 March 2021 are disclosed in note 5 to the financial statements.

*(iv) Income taxes*

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

*Key sources of estimation uncertainty (Cont'd)*

*(iv) Income taxes (Cont'd)*

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the tax expense and deferred tax liabilities in the period in which such determination is made.

The carrying amounts of the Group's and Company's tax assets as at 31 March 2021 were RM504,094 and nil (2020: RM2,014,561 and RM626,868) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2021 were RM26,152,746 and RM12,556,136 (2020: RM24,279,700 and RM9,341,996) respectively.

*(v) Lease liability*

Management estimates the lease term as the non-cancellable period of a lease together with both periods covered by an option to extend the lease and an option to terminate the lease. In assessing whether it is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, management exercises judgement by considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Management measures the lease liability as the present value of the lease payments that are not paid at commencement date. The lease payments are discounted using the incremental borrowing rate.

The lease terms and discount rate are determined using certain assumptions and they represents management's best estimation. The assumptions on which it is based relate to the future. Actual outcome may be different from the estimation and the variation could be material.

The carrying amounts of lease liabilities are disclosed in note 6 to the financial statements.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### (a) 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 (including structured entities) 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (Cont'd)

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

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

*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 interests. Any gain or loss arising from equity transaction is recognised directly in equity.

*Loss of control*

When the Company 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:

   (a) 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

   (b) 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. 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.

### (b) Business combination

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 Group, the liabilities assumed by the Group and the equity interests issued by the Group at the date of exchange.

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Business combination (Cont'd)

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. The choice of measurement basis is made on a transaction-by-transaction basis.

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.

In a business combination where the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain ("negative goodwill') in profit or loss on the acquisition date.

### (c) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiary companies are measured at cost less impairment losses. Impairment losses are charged to profit or loss.

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

### (d) Associate and joint venture

An associate is an entity in which the Group has 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 not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (d) Associate and joint venture (Cont'd)

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

Premium relating to an associate or 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 associate's and 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 associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture.

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

The results and reserves of associate or joint venture 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.

Distributions received from an associate or joint venture reduce the carrying amount of the investment.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interests in an associate that do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

In the Company's separate financial statements, investments in associate and joint venture 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 associate or joint venture disposed of is recognised in profit or loss.

### (e) Property, plant and equipment

*(i) Recognition and measurement*

Property, plant and equipment 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 an asset. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

*(i) Recognition and measurement (Cont'd)*

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company 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 charged to profit or loss during the financial year in which they are 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.

*(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 building | 2 |
| Leasehold building | 1 - 3<br>or over the remaining period of lease |
| Leasehold land | Over period of lease |
| Motor vehicles | 14 - 20 |
| Plant and machinery | 10 - 20 |
| Office equipment, furniture and fittings | 5 - 15 |
| Air conditioners, office renovation and pallets | 10 |

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

### (f) Impairment of non-financial assets

*(a) Goodwill*

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value-in-use.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Impairment of non-financial assets (Cont'd)

*(a) Goodwill (Cont'd)*

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised for goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

*(b) Property, plant and equipment, right-of-use assets, investments in subsidiaries, associate and joint venture*

Other non-financial assets are assessed at each reporting date 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 asset. 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 recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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.

### (g) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Financial instruments (Cont'd)

**Financial assets (Cont'd)**

*(i) Subsequent measurement*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are measured subsequently in the following manners:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income ("FVTOCI"), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss ("FVTPL").

*(ii) Financial assets at amortised cost*

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

*(iii) Equity instruments designated at FVTOCI*

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative instrument (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in a reserve in equity. Equity instruments designated at FVTOCI are not subject to impairment assessment.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Financial instruments (Cont'd)

**Financial assets (Cont'd)**

*(iv) Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including but not limited to:

- Debt instruments that are designated as at FVTPL, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

*(v) Impairment of financial assets*

Loss allowance is recognised for ECL for all debt instruments not held at FVTPL, i.e. financial assets at amortised cost or FVTOCI, receivables and financial guarantee contracts.

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on these financial assets are estimated based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is provided for credit losses that result from default events that are possible within 12 months after the reporting date.

For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition (instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring), a loss allowance is required for credit losses expected over the remaining life of the financial assets.

*(vi) Derecognition of financial assets*

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Financial instruments (Cont'd)

**Financial assets (Cont'd)**

*(vi) Derecognition of financial assets (Cont'd)*

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

**Financial liabilities and equity instruments**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Financial liabilities**

All financial liabilities are subsequently measured at FVTPL or at amortised cost.

*(i) Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- it is designated as at FVTPL.

Financial liabilities are classified as held for trading if they are held for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Financial instruments (Cont'd)

**Financial Liabilities (Cont'd)**

*(i) Financial liabilities at FVTPL (Cont'd)*

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

*(ii) Financial liabilities at amortised cost*

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument or a financial liability by allocating interest income/expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of a debt instrument or a financial liability, to the amortised cost of the debt instrument or the financial liability.

<u>Financial guarantee contracts</u>

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 payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount recognised initially less, where appropriate, cumulative amount of income recognised.

*(iii) Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Financial instruments (Cont'd)

**Equity instrument**

Equity instruments issued are recognised at the proceeds received. Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Repurchase of own equity instruments is deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of own equity instruments.

**Derivative financial instruments and hedging**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently measured at fair value. The resulting gain or loss is recognised in profit or loss, unless the derivative is designated and effective as a hedging instrument.

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

### (h) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that 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, a provision represents the present value of estimated future those cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (i) Revenue and income recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. There is no element of significant financing component on the Group's revenue transactions as customers are required to pay within a credit term of 30 to 90 days.

(i) Revenue from transportation is recognised over time when customer simultaneously receives and consumes the benefits provided by the Group's performance based on the actual service provided to the end of the reporting period.

(ii) Revenue from freight forwarding and warehousing are recognised in profit and loss at a point in time once the service has been completed and the Group has an enforceable right to payment for performance completed to date.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (i) Revenue and income recognition (Cont'd)

(iii) Truck rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

(iv) Forwarding agency commission is recognised as and when services are completed.

(v) Insurance agency commission income is recognised upon the execution or renewal of insurance policies.

Other income are recognised as follows:

(i) Interest income is recognised on a time proportion basis.

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

### (j) Foreign currencies

*(i) Transactions and balances in foreign currencies*

Foreign currencies are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

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

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 value was determined.

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.

*(ii) 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 reporting date.

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

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within other comprehensive income. 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (k) Leases

*The Group as lessee*

Right-of-use assets and corresponding lease liabilities are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liabilities comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based upon an index or a rate; and (iii) payments of penalties for terminating the lease.

The right-of-use assets comprise the corresponding lease liabilities, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the shorter period of lease term and useful life of the underlying assets. The depreciation starts on the lease commencement date. The depreciation periods and depreciation method are reviewed, and adjusted if appropriate, at each reporting date.

Variable lease payment (not based upon an index or a rate) are recognised as an expense in the period in which it is incurred.

*The Group as lessor*

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

### (l) Employee benefits

*(i) Short-term employee benefits*

Salaries, wages, allowances, bonuses, paid annual leave, paid sick leave and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

*(ii) Post-employment benefits*

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Employee benefits (Cont'd)

*(ii) Post-employment benefits (Cont'd)*

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is 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.

The Company's foreign subsidiary company makes contributions to its country's statutory pension scheme which are recognised as an expense in profit or loss as incurred.

### (m) Government grant

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that: (i) the Group will comply with the conditions attaching to them; and (ii) the grants will be received.

Government grants (recognised as deferred income) are released to profit or loss on a systematic basis over the financial periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the financial period in which it becomes receivable.

### (n) Borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred; and ceases when the asset is completed or during extended periods when active development is interrupted.

All other borrowing costs are recognised in profit or loss in the financial period in which they are incurred.

### (o) Taxation

The income tax expense represents the aggregate of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

*(i) Current tax*

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (o) Taxation (Cont'd)

*(ii) Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, which is accounted using the liability method.

A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is only recognised for deductible temporary differences and unutilised tax credit to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and unutilised tax credit 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 taxes 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 at the reporting date that are expected to apply to the financial period when the asset is realised or when the liability is settled.

### (p) 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.

### (q) Segmental 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 revenues 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. The management team monitors the financial performance from the Group's perspective and performs regular review to assess the achievability of the performance at end of each reporting period.

Segment revenue and expense, 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 and expense, 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.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (r) Fair value

Fair value is 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.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement.

Fair value measurements are categorised as follows:

Level 1: Unadjusted quoted prices in active markets (for identical assets or liabilities).

Level 2: Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques that include unobservable inputs (not based on observable market data).

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group 2021 | Freehold land and buildings | Leasehold buildings | Leasehold land | Motor vehicles | Plant and machinery | Office equipment, furniture and fittings | Air conditioners, office renovation and pallets | Total |
|---|---|---|---|---|---|---|---|---|
| **Cost** | RM | RM | RM | RM | RM | RM | RM | RM |
| At 1 April 2020 | 132,223,401 | 208,343,779 | 134,095,904 | 107,957,304 | 58,575,999 | 36,412,169 | 59,145,662 | 736,754,218 |
| Additions | 253,285 | 10,111,697 | 10,350,039 | 7,681,890 | 7,570,937 | 3,442,145 | 1,560,316 | 40,970,309 |
| Disposals | - | - | - | (2,902,926) | - | (486,710) | (59,380) | (3,449,016) |
| Write offs | - | - | - | (133,501) | (242,417) | (336,479) | (364,425) | (1,076,822) |
| At 31 March 2021 | 132,476,686 | 218,455,476 | 144,445,943 | 112,602,767 | 65,904,519 | 39,031,125 | 60,282,173 | 773,198,689 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2020 | 5,595,160 | 41,791,270 | 9,172,928 | 87,096,806 | 28,302,075 | 24,037,470 | 37,511,154 | 233,506,863 |
| Charge for the year | 1,925,469 | 4,551,497 | 1,870,802 | 7,340,089 | 5,823,609 | 2,843,934 | 4,086,364 | 28,441,764 |
| Disposals | - | - | - | (2,818,104) | - | (440,197) | (10,886) | (3,269,187) |
| Write offs | - | - | - | (133,500) | (242,417) | (257,746) | (248,951) | (882,614) |
| At 31 March 2021 | 7,520,629 | 46,342,767 | 11,043,730 | 91,485,291 | 33,883,267 | 26,183,461 | 41,337,681 | 257,796,826 |
| Net carrying amount | | | | | | | | |
| At 31 March 2021 | 124,956,057 | 172,112,709 | 133,402,213 | 21,117,476 | 32,021,252 | 12,847,664 | 18,944,492 | 515,401,863 |

## 5. PROPERTY, PLANT AND EQUIPMENT

| Group 2020 Cost | Freehold land and buildings RM | Leasehold buildings RM | Leasehold land RM | Motor vehicles RM | Plant and machinery RM | Office equipment, furniture and fittings RM | Air conditioners, office renovation and pallets RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2019 | 131,835,583 | 208,343,779 | 134,095,904 | 112,068,822 | 57,878,273 | 34,713,037 | 57,110,185 | 736,045,583 |
| Additions | 387,818 | - | - | 2,983,306 | 1,280,406 | 2,203,531 | 2,816,929 | 9,671,990 |
| Disposals | - | - | - | (7,028,250) | (582,680) | (527,548) | (719,095) | (8,857,573) |
| Write offs | - | - | - | (66,574) | - | (16,582) | (62,357) | (145,513) |
| Exchange differences | - | - | - | - | - | 39,731 | - | 39,731 |
| At 31 March 2020 | 132,223,401 | 208,343,779 | 134,095,904 | 107,957,304 | 58,575,999 | 36,412,169 | 59,145,662 | 736,754,218 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2019 | 3,627,417 | 37,391,449 | 7,426,737 | 85,027,646 | 23,237,730 | 21,350,660 | 32,465,592 | 210,527,231 |
| Charge for the year | 1,967,743 | 4,399,821 | 1,746,191 | 9,161,982 | 5,645,092 | 2,887,327 | 5,194,711 | 31,002,867 |
| Disposals | - | - | - | (7,026,248) | (580,747) | (191,445) | (138,235) | (7,936,675) |
| Write offs | - | - | - | (66,574) | - | (9,407) | (10,914) | (86,895) |
| Exchange differences | - | - | - | - | - | 335 | - | 335 |
| At 31 March 2020 | 5,595,160 | 41,791,270 | 9,172,928 | 87,096,806 | 28,302,075 | 24,037,470 | 37,511,154 | 233,506,863 |
| Net carrying amount | | | | | | | | |
| At 31 March 2020 | 126,628,241 | 166,552,509 | 124,922,976 | 20,860,498 | 30,273,924 | 12,374,699 | 21,634,508 | 503,247,355 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Company 2021 Cost | Freehold land and buildings RM | Leasehold buildings RM | Leasehold land RM | Motor vehicles RM | Plant and machinery RM | Office equipment, furniture and fittings RM | Air conditioners, office renovation and pallets RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2020 | 3,861,606 | 159,784,921 | 114,973,660 | 98,939,365 | 17,243,173 | 31,215,745 | 55,782,631 | 481,801,101 |
| Additions | - | - | - | 7,537,752 | 21,900 | 2,971,307 | 1,545,729 | 12,076,688 |
| Disposals | - | - | - | (866,486) | - | (448,299) | (59,380) | (1,374,165) |
| Write offs | - | - | - | (133,500) | (242,417) | (336,479) | (364,425) | (1,076,821) |
| At 31 March 2021 | 3,861,606 | 159,784,921 | 114,973,660 | 105,477,131 | 17,022,656 | 33,402,274 | 56,904,555 | 491,426,803 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2020 | 623,180 | 23,265,558 | 7,630,157 | 79,098,538 | 16,240,046 | 22,481,431 | 36,811,470 | 186,150,380 |
| Charge for the year | 51,111 | 3,216,923 | 1,452,276 | 6,029,295 | 442,844 | 1,867,447 | 3,670,655 | 16,730,551 |
| Disposals | - | - | - | (808,309) | - | (426,666) | (10,886) | (1,245,861) |
| Write offs | - | - | - | (133,500) | (242,417) | (257,746) | (248,951) | (882,614) |
| At 31 March 2021 | 674,291 | 26,482,481 | 9,082,433 | 84,186,024 | 16,440,473 | 23,664,466 | 40,222,288 | 200,752,456 |
| Net carrying amount | | | | | | | | |
| At 31 March 2021 | 3,187,315 | 133,302,440 | 105,891,227 | 21,291,107 | 582,183 | 9,737,808 | 16,682,267 | 290,674,347 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Company 2020<br>Cost | Freehold land and buildings RM | Leasehold buildings RM | Leasehold land RM | Motor vehicles RM | Plant and machinery RM | Office equipment, furniture and fittings RM | Air conditioners, office renovation and pallets RM | Total RM |
|---|---|---|---|---|---|---|---|---|
| At 1 April 2019 | 3,861,606 | 159,784,921 | 114,973,660 | 98,897,306 | 18,381,566 | 33,500,083 | 56,833,567 | 486,232,709 |
| Additions | - | - | - | 2,983,306 | 77,799 | 1,149,638 | 2,497,757 | 6,708,500 |
| Disposals | - | - | - | (2,941,247) | (1,216,192) | (3,417,394) | (3,486,336) | (11,061,169) |
| Write offs | - | - | - | - | - | (16,582) | (62,357) | (78,939) |
| At 31 March 2020 | 3,861,606 | 159,784,921 | 114,973,660 | 98,939,365 | 17,243,173 | 31,215,745 | 55,782,631 | 481,801,101 |
| **Accumulated depreciation** | | | | | | | | |
| At 1 April 2019 | 559,009 | 20,048,635 | 6,177,881 | 75,582,767 | 16,178,483 | 20,841,976 | 32,292,825 | 171,681,576 |
| Charge for the year | 64,171 | 3,216,923 | 1,452,276 | 6,455,017 | 786,146 | 1,937,697 | 4,849,829 | 18,762,059 |
| Disposals | - | - | - | (2,939,246) | (724,583) | (288,835) | (320,270) | (4,272,934) |
| Write offs | - | - | - | - | - | (9,407) | (10,914) | (20,321) |
| At 31 March 2020 | 623,180 | 23,265,558 | 7,630,157 | 79,098,538 | 16,240,046 | 22,481,431 | 36,811,470 | 186,150,380 |
| Net carrying amount | | | | | | | | |
| At 31 March 2020 | 3,238,426 | 136,519,363 | 107,343,503 | 19,840,827 | 1,003,127 | 8,734,314 | 18,971,161 | 295,650,721 |

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

At the reporting date, net carrying amount of property, plant and equipment of the Group and of the Company include the following right-of-use assets, which are presented together with the owned assets of the same class as the underlying assets:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Leasehold buildings | 172,112,709 | 166,552,509 | 133,302,440 | 136,519,363 |
| Leasehold land | 133,402,213 | 124,922,976 | 105,891,227 | 107,343,503 |
| Acquired via hire purchase arrangements: | | | | |
| - Motor vehicles | - | 874,330 | - | - |
| - Plant and machinery | - | 54,583 | - | - |
| | 305,514,922 | 292,404,398 | 239,193,667 | 243,862,866 |

As of 31 March 2021, the following assets are charged to licensed banks as security for bank term loans, as disclosed in note 23:

| | Group | |
|---|---|---|
| | 2021 RM | 2020 RM |
| Net carrying amount: | | |
| - Freehold land and buildings | 71,465,360 | 72,550,532 |

Title deed of a leasehold land with net carrying amount of RM1,803,773 (2020: RM1,822,977) has yet to be issued in or transferred to the name of the Company.

## 6. LEASES

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| **Right-of-use assets** | | | | |
| Cost | | | | |
| At 1 April | 22,753,486 | - | 15,785,668 | - |
| Effect of initial application of MFRS 16 Leases on 1 April 2019 | - | 20,929,986 | - | 15,414,515 |
| Additions | 17,679,011 | 1,823,500 | 17,304,364 | 371,153 |
| Termination of lease contracts | (259,353) | - | - | - |
| At 31 March | 40,173,144 | 22,753,486 | 33,090,032 | 15,785,668 |
| Accumulated depreciation | | | | |
| At 1 April | 9,677,389 | - | 8,039,440 | - |
| Charge for the year | 11,071,947 | 9,677,389 | 9,266,469 | 8,039,440 |
| Termination of lease contracts | (100,480) | - | - | - |
| At 31 March | 20,648,856 | 9,677,389 | 17,305,909 | 8,039,440 |
| Net carrying amount | | | | |
| At 31 March | 19,524,288 | 13,076,097 | 15,784,123 | 7,746,228 |

## 6. LEASES (CONT'D)

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| **Right-of-use assets at the end of the financial period comprise of:** | | | | |
| Properties | 15,761,808 | 7,713,997 | 15,761,808 | 7,713,996 |
| Motor vehicles | 3,740,165 | 5,329,868 | - | - |
| Plant and machinery | 22,315 | 32,232 | 22,315 | 32,232 |
| | 19,524,288 | 13,076,097 | 15,784,123 | 7,746,228 |
| **Lease liabilities** | | | | |
| - Current | 9,017,240 | 9,046,505 | 7,018,319 | 7,311,653 |
| - Non-current | 10,704,697 | 4,273,776 | 8,861,587 | 605,753 |
| | 19,721,937 | 13,320,281 | 15,879,906 | 7,917,406 |

The leases of properties, motor vehicles and plant and machinery are typically made for periods of 2 to 5 years. The lessors do not impose any covenants.

The lease payments associated with short-term leases or leases of low-value assets are recognised as an expense on a straight-line basis over the lease term. No right-of-use assets and lease liabilities are recognised for these leases. At the reporting date, the Group and the Company is committed to RM10,228,187 (2020: RM19,676,061) and RM14,122,819 (2020: RM21,743,243) for short-term leases.

Total cash outflows for the Group and the Company for leases during the current financial year (including fixed and short-term lease payments) amounted to RM30,577,703 (2020: RM35,873,638) and RM25,262,095 (2020: RM30,145,724) respectively.

## 7. GOODWILL

| | Group | |
|---|---|---|
| | 2021<br>RM | 2020<br>RM |
| Goodwill on consolidation | 81,864,054 | 81,864,054 |

Goodwill arising from the acquisition of Gold Cold Transport Sdn Bhd ("GCT") is allocated at the date of acquisition, to the cold chain business of GCT as the cash generating unit ("CGU"). The consideration paid for the acquisitions effectively included amounts for anticipated profitability, future market development of the CGU and the benefit of expected synergies to arise after the acquisitions.

For annual impairment testing purposes, the recoverable amount of the CGU has been determined based on its value-in-use calculation, which applies a discounted cash flow model using cash flow projections covering a period of 10 years based on most recent financial budget and projections approved by management. Management is of the opinion that the projection period is justified due to the long term nature of the cold chain business and the CGU's historical performance. Cash flow projection beyond 10-year period is extrapolated using the estimated growth rate stated below, which is consistent with the long-term average growth rate for the cold chain business industry.

## 7. GOODWILL (CONT'D)

Key assumptions used for value-in-use calculation are as follows:

| | |
|---|---|
| Pre-tax discount rate[(1)] | 8% (2020: 8%)) |
| Revenue growth[(2)] | |
| - within next 1 to 4 years | 4% (2020: 5%) |
| - within next 5 to 10 years | 4% (2020: 3%) |
| Terminal growth rate[(3)] | 1% (2020: 1%) |

(1) The pre-tax discount rate is estimated based on the CGU-specific weighted average cost of capital for the financial year.

(2) Revenue growth rate is estimated based on past performance and its expectations of market development.

(3) Terminal growth rate is assigned at the end of ten year cash flow projections based on the assumed growth rate in perpetuity.

The directors believe that no reasonably possible changes in any of the key assumption would cause the recoverable amount of the CGU to differ materially from its carrying amount as at 31 March 2021.

## 8. INVESTMENT IN SUBSIDIARY COMPANIES

| | Company | |
|---|---|---|
| | **2021 RM** | **2020 RM** |
| Unquoted shares, at cost | | |
| - in Malaysia | 107,689,939 | 107,689,939 |
| - outside Malaysia | - | 230,000 |
| | 107,689,939 | 107,919,939 |
| Less: Impairment losses | - | (230,000) |
| | 107,689,939 | 107,689,939 |

Details of the subsidiary companies are as follows:

| | Equity interest 2021 % | Equity interest 2020 % | Country of incorporation | Principal activities |
|---|---|---|---|---|
| Baik Sepakat Sdn Bhd | 100 | 100 | Malaysia | Truck rental and insurance agency services |
| Tunas Cergas Logistik Sdn Bhd | 100 | 100 | Malaysia | Truck rental and the provision of other related logistics services |
| Emulsi Teknik Sdn Bhd | 100 | 100 | Malaysia | Truck rental and logistics services |
| Trans-Asia Shipping Pte Ltd* | - | 100 | Singapore | In members' voluntary winding up |
| Maya Kekal Sdn Bhd | 100 | 100 | Malaysia | Trading |
| Precious Fortunes Sdn Bhd | 100 | 100 | Malaysia | Warehousing |
| Titian Pelangi Sdn Bhd | 100 | 100 | Malaysia | Warehousing |

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

| | Equity interest 2021 % | Equity interest 2020 % | Country of incorporation | Principal activities |
|---|---|---|---|---|
| Omega Saujana Sdn Bhd | 51 | 51 | Malaysia | Freight forwarding services |
| Tasco Yusen Gold Cold Sdn Bhd ("TYGC") | 70 | 70 | Malaysia | Investment holding |
| Piala Kristal (M) Sdn Bhd | 51 | 51 | Malaysia | Freight forwarding services |
| Meriah Selalu Sdn Bhd | 100 | 100 | Malaysia | Operating container depot and providing services of storing, handling, cleaning and repairing of containers |

**Subsidiaries of TYGC**

| | Equity interest 2020 % | Equity interest 2019 % | Country of incorporation | Principal activities |
|---|---|---|---|---|
| Gold Cold Transport Sdn Bhd | 100 | 100 | Malaysia | Transportation, provision of cold room facilities, repackaging and value added facilities services |
| GC Logistics Sdn Bhd | 100 | 100 | Malaysia | Transportation, cold room storage facilities, repackaging and value added facilities services |
| Gold Cold Integrated Logistics Sdn Bhd | 100 | 100 | Malaysia | Transportation, cold room storage facilities, repackaging and value added facilities services |
| Gold Cold Solutions Sdn Bhd | 100 | 100 | Malaysia | Providing logistics services, transportation, warehousing distribution and marketing of goods. |

* *Audited by a member firm of Mazars in Singapore*
*Derecognised on 27 June 2020*

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

*Subsidiaries that have material non-controlling interests*

Details of the Group's subsidiaries that have material non-controlling interests at the reporting date:

| Name of subsidiary | Place of incorporation and operation | Proportion of ownership interests held by non-controlling interests | | Profit for the year allocated to non-controlling interests | | Carrying amount of non-controlling interests | |
|---|---|---|---|---|---|---|---|
| | | 2021 % | 2020 % | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| TYGC | Malaysia | 30 | 30 | 2,112,110 | 719,731 | 64,756,943 | 62,644,833 |
| Other immaterial entities | | | | | | 2,215,017 | 1,931,809 |
| | | | | | | 66,971,960 | 64,576,642 |

Summarised financial information of the subsidiaries that have material non-controlling interests (amounts before intra-group elimination):

| | 2021 RM | 2020 RM |
|---|---|---|
| TYGC | | |
| Non-current assets | 252,727,785 | 248,332,754 |
| Current assets | 71,410,551 | 118,089,195 |
| Non-current liabilities | (44,289,884) | (76,741,381) |
| Current liabilities | (63,991,976) | (80,864,459) |
| Net assets | 215,856,476 | 208,816,109 |
| Revenue | 127,617,783 | 117,816,535 |
| Profit for the year | 7,040,366 | 3,317,210 |
| Dividend paid to non-controlling interests | - | (1,950,000) |
| Net cash flows from operating activities | 33,509,275 | 15,139,720 |
| Net cash flows used in investing activities | (15,167,736) | (2,530,729) |
| Net cash flows (used in)/from financing activities | (66,849,861) | 49,692,278 |
| Net changes in cash and cash equivalents | (48,508,322) | 62,301,269 |

## 9. INVESTMENT IN ASSOCIATED COMPANY

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Unquoted shares, at cost | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Group's share of results | 196,691 | 47,985 | - | - |
| | 3,196,691 | 3,047,985 | 3,000,000 | 3,000,000 |

## 9. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

The associated company, incorporated in Malaysia, is as follows:

| | Equity interest 2021 % | Equity interest 2020 % | Principal activities |
|---|---|---|---|
| Agate Electro Supplies Sdn Bhd ("AESSB") | 50 | 50 | Letting of property |

The financial year end of AESSB is 31 December. For the purpose of applying the equity method in the Group's consolidated financial statements, the audited financial statements of AESSB for the year ended 31 December 2020 have been used.

The Group's share in the results of the associated company AESSB is as follows:

| | 2021 RM | 2020 RM |
|---|---|---|
| Group's share of results | 148,706 | (166,868) |

The summarised financial information of the Group's associated company AESSB as at 31 December is as follows:

| | 2020 RM | 2019 RM |
|---|---|---|
| Non-current assets | 7,917,190 | 8,359,446 |
| Current assets | 425,183 | 340,535 |
| Non-current liabilities | (1,664,610) | (1,729,434) |
| Current liabilities | (284,380) | (874,576) |
| Net assets | 6,393,382 | 6,095,971 |
| Revenue | - | - |
| Profit/(Loss) for the year | 297,411 | (333,735) |

The amount owing by associated company comprises:

| | Group/Company 2021 RM | Group/Company 2020 RM |
|---|---|---|
| Non-trade balances | - | 4,800 |
| Non-interest bearing advances | 50,000 | 50,000 |
| | 50,000 | 54,800 |

The balances are unsecured, receivable on demand and denominated in RM.

## 10. INVESTMENT IN A JOINT VENTURE

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Unquoted shares, at cost | 400,000 | 400,000 | 400,000 | 400,000 |
| Equity contribution | 3,080,000 | 3,080,000 | 3,080,000 | 3,080,000 |
| Group's share of results | (47,780) | (191,020) | - | - |
| | 3,432,220 | 3,288,980 | 3,480,000 | 3,480,000 |

## 10. INVESTMENT IN A JOINT VENTURE (CONT'D)

The Group and the Company deemed interest free advances amounting to RM3,080,000 (2020: RM3,080,000) to the joint venture as equity contribution from shareholder and thus, do not expect repayment in the next 12 months.

Details of the joint venture, which is incorporated in Malaysia is as follows:

| | Equity interest | | |
|---|---|---|---|
| | 2021 | 2020 | |
| | % | % | Principal activities |
| YLTC Sdn Bhd ("YLTC") | 40 | 40 | Trading, distribution and logistics |

The joint venture is accounted for using the equity method in the consolidated financial statements.

The financial year end of YLTC is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the audited financial statements of YLTC for the year ended 31 December 2020 have been used.

The Group's share in the results of YLTC is as follows:

| | **2021 RM** | **2020 RM** |
|---|---|---|
| Group's share of results | 143,240 | (135,192) |

The summarised financial information of YLTC as at 31 December is as follows:

| | **2020 RM** | **2019 RM** |
|---|---|---|
| Non-current assets | 418,065 | 545,090 |
| Current assets | 19,997,653 | 29,963,526 |
| Current liabilities | (19,535,171) | (29,986,169) |
| Net assets | 880,547 | 522,447 |
| Revenue | 103,821,836 | 96,427,624 |
| Profit/(Loss) for the year | 358,100 | (337,980) |

The amount owing by joint venture comprise:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2021 RM** | **2020 RM** | **2021 RM** | **2020 RM** |
| Trade accounts | 447,272 | 833,671 | 132,837 | 241,176 |

The trade account are expected to be settled within the normal credit period.

The amount owing by joint venture is denominated in RM.

## 11. DEFERRED TAX ASSETS/(LIABILITIES)

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| At the beginning of the year | (23,954,306) | (26,352,102) | (9,341,996) | (10,498,531) |
| Recognised in profit or loss | 1,079,104 | 2,397,796 | (134,923) | 1,156,535 |
| At the end of the year | (22,875,202) | (23,954,306) | (9,476,919) | (9,341,996) |
| Represented by: | | | | |
| Deferred tax assets | 6,998 | - | - | - |
| Deferred tax liabilities | (22,882,200) | (23,954,306) | (9,476,919) | (9,341,996) |
| | (22,875,202) | (23,954,306) | (9,476,919) | (9,341,996) |

The deferred tax assets/(liabilities) on temporary differences recognised in the financial statements were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Tax effects of: | | | | |
| - excess of capital allowances over accumulated depreciation on property, plant and equipment | (17,623,519) | (16,555,650) | (9,962,011) | (9,190,055) |
| - fair value adjustment arising from acquisition of subsidiaries | (7,161,975) | (8,034,326) | - | - |
| - allowance for doubtful debts | 456,208 | 378,160 | 371,541 | 293,493 |
| - unrealised loss/(gain) on foreign exchange | 90,563 | (486,517) | 90,563 | (486,517) |
| - leases | 37,170 | 51,332 | 22,988 | 41,083 |
| - other temporary differences | 1,326,351 | 692,695 | - | - |
| | (22,875,202) | (23,954,306) | (9,476,919) | (9,341,996) |

## 12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

| | Company | |
|---|---|---|
| | 2021 RM | 2020 RM |
| Current: | | |
| Trade accounts | 4,446,785 | 3,136,543 |
| Advances | | |
| - non-interest bearing | 25,674,655 | 92,441,291 |
| - interest bearing at 5.46% (2020: 5.46%) per annum | 868,000 | 868,000 |
| - interest bearing at 3.25% (2020: nil) per annum | 511,205 | - |
| Interest receivable | 248,550 | 269,107 |
| | 31,749,195 | 96,714,941 |

## 12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)

The amounts owing by subsidiary companies comprise (Cont'd):

| | Company | |
|---|---|---|
| | **2021** | **2020** |
| | **RM** | **RM** |
| Non-current: | | |
| Advances | | |
| - interest bearing at 5.46% (2020: 5.46) per annum | 10,670,735 | 11,538,734 |
| - interest bearing at 3.25% (2020: nil) per annum | 13,529,595 | - |
| | 24,200,330 | 11,538,734 |
| | 55,949,525 | 108,253,675 |

The trade accounts are expected to be settled within the normal credit period.

The non-interest bearing advances are unsecured and receivable on demand.

The interest bearing advances at 5.46% (2020: 5.46%) per annum are unsecured and receivable with 30 semi-annual instalments, commenced on 7 November 2019.

The interest bearing advances at 3.25% (2020: nil) per annum are unsecured and receivable with 10 year monthly instalments, commenced on 1 December 2020.

The amounts owing by subsidiary companies are denominated in RM.

The amounts owing to subsidiary companies comprise:

| | Company | |
|---|---|---|
| | **2021** | **2020** |
| | **RM** | **RM** |
| Trade accounts | 13,665,343 | 10,731,943 |
| Non-trade balance | 20,365 | - |
| Non-interest bearing advances | 38,301,070 | 48,093,353 |
| | 51,986,778 | 58,825,296 |

The trade accounts are expected to be settled within the normal credit period.

The non-trade balance and non-interest bearing advances are unsecured and payable on demand.

The amounts owing to subsidiary companies are denominated in RM.

## 13. TRADE RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| | **RM** | **RM** | **RM** | **RM** |
| Gross trade receivables | 171,507,930 | 116,213,529 | 138,858,270 | 90,745,894 |
| Allowance for doubtful debts | (2,061,274) | (1,698,873) | (1,548,088) | (1,222,890) |
| | 169,446,656 | 114,514,656 | 137,310,182 | 89,523,004 |

## 13. TRADE RECEIVABLES (CONT'D)

The currency exposure profile of the gross trade receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| - RM | 155,291,605 | 110,125,825 | 122,641,945 | 84,658,190 |
| - US Dollar | 15,478,799 | 4,047,555 | 15,478,799 | 4,047,555 |
| - Singapore Dollar | 131,196 | 1,474,077 | 131,196 | 1,474,077 |
| - Thai Baht | 518,718 | 482,838 | 518,718 | 482,838 |
| - Euro | 87,612 | 83,234 | 87,612 | 83,234 |
| | 171,507,930 | 116,213,529 | 138,858,270 | 90,745,894 |

Normal credit terms ranges between 30 to 60 days. For long term customers and related parties, the credit terms may be extended to 90 days based on the discretion of the management.

## 14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Other receivables | 1,844,137 | 2,950,351 | 1,306,135 | 2,221,768 |
| Deposits paid for the acquisition of property, plant and equipment | 3,580,183 | 3,357,510 | 147,000 | - |
| Deposits | 9,879,231 | 6,760,419 | 9,480,865 | 6,333,337 |
| Prepayments | 5,481,026 | 5,587,915 | 4,160,668 | 3,787,846 |
| Goods and Services Tax ("GST") recoverable | 258 | 2,052 | - | - |
| | 20,784,835 | 18,658,247 | 15,094,668 | 12,342,951 |

The other receivables, deposits and prepayments are denominated in RM.

## 15. AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY

The amounts owing by/to the immediate holding company represent trade accounts which are expected to be settled within the normal credit period.

The currency exposure profile of amount owing by immediate holding company is as follows:

| | Group/Company | |
|---|---|---|
| | 2021 RM | 2020 RM |
| - RM | 3,074,015 | 2,030,879 |
| - US Dollar | 3,687,034 | 1,977,777 |
| - Singapore Dollar | 233 | 88,876 |
| - Japanese Yen | - | 4,788 |
| | 6,761,282 | 4,102,320 |

## 15. AMOUNTS OWING BY/TO IMMEDIATE HOLDING COMPANY (CONT'D)

The currency exposure profile of amount owing to immediate holding company is as follows:

| | Group/Company | |
|---|---|---|
| | 2021 | 2020 |
| | RM | RM |
| - RM | - | 5,784 |
| - Japanese Yen | 1,186,072 | 877,859 |
| - US Dollar | 1,477,010 | 704,906 |
| | 2,663,082 | 1,588,549 |

## 16. AMOUNTS OWING BY/TO RELATED COMPANIES

The amounts owing by/to related companies represent trade accounts which are expected to be settled within the normal credit period.

The currency exposure profile of amounts owing by related companies is as follows:

| | Group/Company | |
|---|---|---|
| | 2021 | 2020 |
| | RM | RM |
| - RM | 11,891,354 | 2,552,869 |
| - US Dollar | 10,042,384 | 3,901,539 |
| - Singapore Dollar | 286,680 | 43,859 |
| - Thai Baht | 1,577 | 4,906 |
| - Euro | - | 84,431 |
| - Hong Kong Dollar | 90,995 | - |
| | 22,312,990 | 6,587,604 |

The currency exposure profile of amounts owing to related companies is as follows:

| | Group/Company | |
|---|---|---|
| | 2021 | 2020 |
| | RM | RM |
| RM | 360,384 | 115,586 |
| Singapore Dollar | 1,238,263 | 338,060 |
| US Dollar | 12,005,073 | 3,030,619 |
| Thai Baht | 199,521 | 75,298 |
| Australian Dollar | 3,190 | 7,571 |
| Chinese Yuan Renminbi | 520,591 | 430,850 |
| Euro | 1,254,292 | 301,040 |
| Great Britain Pound | 171,006 | 360,169 |
| Hong Kong Dollar | 343,073 | 495,040 |
| South Korean Won | 113,827 | 71,291 |
| New Taiwan Dollar | 41,561 | 30,393 |
| Others | 250,908 | 84,366 |
| | 16,501,689 | 5,340,283 |

## 17. SHORT TERM INVESTMENTS

| | Group | |
|---|---|---|
| | 2021 RM | 2020 RM |
| *Designated at FVTPL* | | |
| Unit Trust funds in Malaysia | 5,438,139 | 5,329,513 |

## 18. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the Group's and of the Company's deposits ranged between 1.30% to 2.05% (2020: 2.05% to 3.83%) per annum. All the deposits have maturities of three months or less.

## 19. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| - RM | 37,036,950 | 65,655,845 | 9,894,710 | 4,294,183 |
| - US Dollar | 39,162,597 | 43,767,047 | 39,162,597 | 43,767,047 |
| - Singapore Dollar | 1,381,130 | 3,728,465 | 1,381,130 | 2,908,809 |
| - Thai Baht | 252,269 | 1,952 | 252,269 | 1,952 |
| | 77,832,946 | 113,153,309 | 50,690,706 | 50,971,991 |

## 20. SHARE CAPITAL

| | 2021 Number of shares | RM | 2020 Number of shares | RM |
|---|---|---|---|---|
| Issued and fully paid: | | | | |
| At beginning of financial year | 200,000,000 | 100,801,317 | 200,000,000 | 100,801,317 |
| Issued during the year | | | | |
| - share split | 600,000,000 | - | - | - |
| At end of financial year | 800,000,000 | 100,801,317 | 200,000,000 | 100,801,317 |

During the financial year, the issued and paid up share capital of the Company was increased from 200,000,000 ordinary shares to 800,000,000 ordinary shares by way of an issue of 600,000,000 new ordinary shares by way of subdivision of every 1 existing share into 4 subdivided shares ("Share Split").

The Company was given approval by Securities Commission of Malaysia to implement an Employees' Share Option Scheme ("ESOS") in 2007 in conjunction with the listing of the Company's share on the Main Market of Bursa Malaysia Securities Berhad.

To date, the Company has yet to implement the ESOS.

**20. SHARE CAPITAL (CONT'D)**

The main features of the ESOS proposed to be set out in the By-Laws are as follows:

(a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

(b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:

(i) shall have attained the age of eighteen (18) years by the Date of Offer;

(ii) must fall within such other categories and criteria that the ESOS Committee may decide from time to time at its absolute discretion;

(iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.

(c) The maximum number of options to be offered to each eligible employee shall be at the discretion of the ESOS Committee. In exercising its discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each eligible employee, subject to the following:

(i) there should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the ESOS should be allocated, in aggregate, to executive directors and senior management.

(ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company.

For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an eligible employee" or "persons connected with a director" shall have the same meaning given in relation to persons connected with a director or major shareholder.

(d) The price at which the grantee is entitled to subscribe for each new share shall be based on five (5) days weighted average market price of the Shares in the Company preceding the Date of Offer, with a discount that does not exceed ten per cent (10%) or at the par value of the shares, whichever is higher.

(e) All new shares issued pursuant to the exercise of options will upon such allotment and issuance rank in pari passu in all respects with the then existing issued and paid-up shares, save and except that they are not entitled to dividends, rights, allotments and/or other distributions whereby the entitlement date for such dividends, rights, allotments and/or other distributions is prior to the date of allotment of the new shares. The new shares will be subject to all the provisions of the Articles of Association of the Company in relation to transfer, transmission or otherwise.

(f) The number of shares under option or the exercise price or both, so far as the option remains unexercised, may be adjusted following any variation in the issued share capital of the Company by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital and other variation of capital of the Company.

(g) The ESOS shall be in force for a period of five (5) years from the effective date subject however to any extension or renewal for a further period of five (5) years if the Board deemed fit, upon the recommendation of the ESOS Committee. Save for any amendments and/or changes to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

## 21. AMOUNT OWING TO CORPORATE SHAREHOLDER OF SUBSIDIARY COMPANY

| | Group | |
|---|---|---|
| | **2021 RM** | **2020 RM** |
| Current: | | |
| Advances | | |
| - interest bearing at 5.46% (2020: 5.46%) per annum | 372,000 | 372,000 |
| Interest payable | 106,523 | 115,332 |
| | 478,523 | 487,332 |
| Non-current: | | |
| Advances | | |
| - interest bearing at 5.46% (2020: 5.46) per annum | 4,573,172 | 4,945,172 |
| | 5,051,695 | 5,432,504 |

The interest bearing advances are unsecured and repayable with 30 semi-annual instalments, commenced on 7 November 2019.

The amount owing to corporate shareholder of subsidiary company is denominated in RM.

## 22. HIRE PURCHASE PAYABLES

| | Group | |
|---|---|---|
| | **2021 RM** | **2020 RM** |
| Future instalments payable | | |
| - not later than one year | - | 222,113 |
| - later than one year but not later than five years | - | 11,579 |
| Total future instalments payable | - | 233,692 |
| Unexpired term charges | - | (5,034) |
| Total outstanding principal | - | 228,658 |
| Outstanding principal: | | |
| - not later than one year *(included under current liabilities)* | - | (218,485) |
| - later than one year but not later than five years *(included under non-current liabilities)* | - | 10,173 |

In previous financial year, the interest rates of hire purchase payables ranged between 2.93% to 2.95% per annum.

## 23. BANK TERM LOANS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| The bank term loans are repayable as follows: *(included under current liabilities)* | | | | |
| - not later than one year | 29,874,727 | 78,180,944 | 24,466,663 | 72,766,664 |
| *(included under non-current liabilities)* | | | | |
| - later than one year but not later than five years | 123,656,797 | 164,302,161 | 97,866,651 | 137,316,656 |
| - more than five years | 92,944,453 | 80,867,773 | 90,366,689 | 75,383,347 |
| | 216,601,250 | 245,169,934 | 188,233,340 | 212,700,003 |
| | 246,475,977 | 323,350,878 | 212,700,003 | 285,466,667 |

The bank term loans are denominated in RM.

Bank term loans of the Group amounting to RM33,775,974 (2020: RM37,884,211) are secured by legal charged over the freehold land, buildings and warehouses of a subsidiary company and guarantee by the Company.

## 23. BANK TERM LOANS (CONT'D)

The details of the bank term loans are as follows:

| Principal Amount RM | Monthly Instalment RM | Commencing date | Interest rate per annum | Group 2021 RM | Group 2020 RM | Company 2020 RM | Company 2021 RM |
|---|---|---|---|---|---|---|---|
| 14,000,000 | 116,667 | 29 March 2017 | 4.88% fixed rate | 8,400,000 | 9,800,000 | 8,400,000 | 9,800,000 |
| 18,000,000 | 100,000 | 20 June 2017 | 4.93% fixed rate | 13,500,000 | 14,700,000 | 13,500,000 | 14,700,000 |
| 50,000,000 | 1,388,889 | 07 July 2017 | 4.69% fixed rate | - | 50,000,000 | - | 50,000,000 |
| 50,000,000 | 833,333 | 07 July 2017 | 4.86% fixed rate | 47,500,001 | 50,000,000 | 47,500,001 | 50,000,000 |
| 52,000,000 | 433,333 | 07 July 2017 | 4.99% fixed rate | 49,400,002 | 52,000,000 | 49,400,002 | 52,000,000 |
| 10,000,000 | 55,556 | 17 August 2017 | 4.985% fixed rate | 7,500,000 | 8,166,667 | 7,500,000 | 8,166,667 |
| 126,000,000 | 1,200,000 | 25 May 2018 | 5.46% fixed rate | 86,400,000 | 100,800,000 | 86,400,000 | 100,800,000 |
| 22,000,000 | 209,912 | 04 January 2010 | BLR – 1.80% | 11,665,280 | 13,248,651 | - | - |
| 7,089,000 | 54,593 | 01 December 2011 | BLR – 2.00% | 3,319,563 | 3,844,800 | - | - |
| 12,640,000 | 97,342 | 01 December 2011 | BLR – 2.00% | 8,009,784 | 8,871,278 | - | - |
| 1,500,000 | 11,522 | 04 January 2010 | BLR – 2.00% | 963,201 | 1,064,647 | - | - |
| 170,880 | 1,082 | 01 December 2015 | BLR – 2.00% | 141,198 | 148,197 | - | - |
| 166,680 | 1,056 | 01 December 2015 | BLR – 2.00% | 137,724 | 144,552 | - | - |
| 167,280 | 1,060 | 01 December 2015 | BLR – 2.00% | 138,226 | 145,079 | - | - |
| 167,880 | 1,063 | 01 December 2015 | BLR – 2.00% | 138,722 | 145,597 | - | - |
| 169,680 | 1,075 | 01 December 2015 | BLR – 2.00% | 140,208 | 147,161 | - | - |
| 170,280 | 1,079 | 01 December 2015 | BLR – 2.00% | 140,703 | 147,679 | - | - |
| 12,000,000 | 110,086 | 01 February 2017 | BLR – 2.00% | 8,981,365 | 9,976,570 | - | - |
| | | | | 246,475,977 | 323,350,878 | 212,700,003 | 285,466,667 |

## 24. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2021** **RM** | **2020** **RM** | **2021** **RM** | **2020** **RM** |
| - RM | 65,030,463 | 46,109,490 | 56,216,973 | 37,427,310 |
| - Singapore Dollar | 9,921 | 10,195 | 9,921 | 10,195 |
| - Thai Baht | 459,484 | 519,733 | 459,484 | 519,733 |
| - US Dollar | 44,419 | 65,002 | 44,419 | 65,002 |
| - Japanese Yen | 1,086 | 10,152 | 1,086 | 10,152 |
| - Euro | 123,704 | 45,486 | 123,704 | 45,486 |
| - New Zealand Dollar | - | 236 | - | 236 |
| | 65,669,077 | 46,760,294 | 56,855,587 | 38,078,114 |

The credit terms extended are ranged between 15 and 60 days.

## 25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

The other payables, deposits and accruals are denominated in RM.

## 26. REVENUE

The Group and the Company derives its revenue from contracts with customers for the transfer of services over time and at a point of time and consistent with the revenue information that is disclosed for each reportable segment.

The information on the disaggregation of revenue is disclosed in note 42 to the financial statements.

## 27. OTHER INCOME

| | Group | | Company | |
|---|---|---|---|---|
| | **2021** **RM** | **2020** **RM** | **2021** **RM** | **2020** **RM** |
| Gross dividends from | | | | |
| -subsidiaries | - | - | - | 4,550,000 |
| -unquoted investments | 36,600 | - | 36,600 | - |
| Interest income | 1,201,064 | 3,569,988 | 1,348,755 | 2,132,964 |
| Fair value gain on short term investments | 108,626 | 174,436 | - | - |
| Gain on disposal of property, plant and equipment | 809,323 | 648,816 | 281,771 | 405,817 |
| Realised gain on foreign exchange | - | 551,992 | - | 528,537 |
| Unrealised gain on foreign exchange | - | 1,219,222 | - | 1,219,222 |
| Lease income from land and buildings | 24,806 | 23,625 | 24,806 | 23,625 |
| Gain on early termination of lease contracts | 3,835 | - | - | - |
| Sundry income | 780,724 | 786,283 | 590,575 | 1,353,814 |
| Government grant (see note (a)) | 664,800 | - | - | - |
| Bad debts recovered | 818,137 | 69,883 | 715,867 | 63,043 |
| | 4,447,915 | 7,044,245 | 2,998,374 | 10,277,022 |

Note (a):
During the financial year, the Group received government subsidies of RM664,800 (2020: nil) in relation to the Wage Subsidy Programme under National Economic Recovery Plan initiated by the Government of Malaysia.

## 28. PROFIT FROM OPERATIONS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Profit from operations is stated after charging: | | | | |
| Auditors' remuneration | | | | |
| - statutory audit | 254,040 | 259,366 | 105,206 | 103,877 |
| - review of quarterly financial statements | 68,670 | 73,670 | 68,670 | 73,670 |
| - other assurance service | 5,000 | 5,300 | 5,000 | 5,300 |
| Allowance for doubtful debts | 362,401 | 702,780 | 325,198 | 617,130 |
| Bad debts written off | 147,213 | 196,771 | 147,213 | 624,899 |
| Depreciation of property, plant and equipment | 28,441,764 | 31,002,867 | 16,730,551 | 18,762,059 |
| Depreciation of right-of-use assets | 11,071,947 | 9,677,389 | 9,266,469 | 8,039,440 |
| Legal and professional fees | 663,350 | 1,556,894 | 380,985 | 1,323,821 |
| Property, plant and equipment written off | 194,208 | 58,618 | 194,207 | 58,618 |
| Realised loss on foreign exchange | 552,407 | - | 549,979 | - |
| Unrealised loss on foreign exchange | 2,404,500 | - | 2,404,500 | - |
| Lease expenses for short-term leases | | | | |
| - land and buildings | 4,826,024 | 6,796,854 | 3,034,769 | 5,115,259 |
| - trucks | 11,411,536 | 15,762,797 | 10,023,871 | 13,702,004 |
| - forklifts | 2,338,848 | 2,760,062 | 2,162,577 | 2,558,351 |
| - office equipment | 380,995 | 403,156 | 338,479 | 359,042 |
| Other investment written off | 18,000 | - | 18,000 | - |
| Loss on disposal of other investment | 42,000 | - | 42,000 | - |
| Loss on derecognition of subsidiary | 824,860 | - | - | - |

## 29. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Interest expense on: | | | | |
| - bank term loans | 13,609,057 | 17,140,045 | 12,306,640 | 15,242,735 |
| - revolving credits | - | 270,773 | - | 270,773 |
| - hire purchase payables | 5,033 | 34,530 | - | - |
| - lease liabilities | 505,653 | 717,564 | 360,535 | 542,806 |
| - amount owing to corporate shareholder of subsidiary company | 277,185 | 184,682 | - | - |
| | 14,396,928 | 18,347,594 | 12,667,175 | 16,056,314 |

## 30. TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Malaysian tax based on results for the year | | | | |
| - current | 18,285,498 | 10,160,487 | 13,977,179 | 7,068,231 |
| - deferred | (1,596,284) | (1,551,775) | (165,327) | (788,406) |
| | 16,689,214 | 8,608,712 | 13,811,852 | 6,279,825 |
| Under/(Over) provision in prior year | | | | |
| - current | (186,302) | 2,928,947 | (273,594) | 2,835,175 |
| - deferred | 517,180 | (846,021) | 300,250 | (368,129) |
| | 17,020,092 | 10,691,638 | 13,838,508 | 8,746,871 |

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax analysed as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Accounting profit (excluding share of results in associated company and joint venture) | 60,397,458 | 20,899,841 | 47,305,422 | 16,093,000 |
| Taxation at applicable statutory tax rate of 24% | 14,495,390 | 5,015,962 | 11,353,301 | 3,862,320 |
| Tax effects arising from: | | | | |
| - non-deductible expenses | 3,959,209 | 5,267,216 | 2,467,335 | 3,531,400 |
| - non-taxable income | (1,146,694) | (1,813,457) | (8,784) | (1,113,895) |
| Deferred tax benefits not recognised | - | 139,562 | - | - |
| Utilisation of previsouly unrecognised deferred tax benefits | (628,802) | - | - | - |
| Effect of different tax rate in another country | 10,111 | (571) | - | - |
| Under provision in prior year | 330,878 | 2,082,926 | 26,656 | 2,467,046 |
| | 17,020,092 | 10,691,638 | 13,838,508 | 8,746,871 |

The following temporary differences at the end of the financial year of which, the deferred tax benefits have not been recognised in the financial statements:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Unutilised tax losses | 3,695,554 | 17,721,292 | - | - |
| Unabsorbed capital allowance | 6,444,272 | 9,211,001 | - | - |
| Temporary differences arose from | | | | |
| - property, plant and equipment | (4,115,221) | (3,935,500) | - | - |
| - others | 1,009,022 | 595,631 | - | - |
| | 7,033,627 | 23,592,424 | - | - |

## 30. TAX EXPENSE (CONT'D)

Pursuant to the relevant tax regulations, the unutilised tax losses will expire as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Without expiry* | - | 13,938,788 | | |
| Expire in 2026 | 2,999,698 | 3,086,648 | - | - |
| Expire in 2027 | 695,856 | 695,856 | - | - |
| | 3,695,554 | 17,721,292 | - | - |

* *arising from Trans-Asia Shipping Pte Ltd, a wholly-owned subsidiary that was deconsolidated during the year.*

## 31. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Pursuant to the requirements of MFRS 133 Earnings per Share, the weighted average number of ordinary shares used in the calculation of basic earnings per share for the current and previous financial year ended 31 March 2021 and 31 March 2020 have been retrospectively adjusted to reflect the share split.

The calculation of basic earnings per share at 31 March was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

| | Group | |
|---|---|---|
| | 2021 RM | 2020 RM |
| Profit attributable to ordinary shareholders | 41,273,994 | 8,891,310 |
| Weighted average number of ordinary shares at the end of the year* | 800,000,000 | 800,000,000 |
| Basic earnings per ordinary share (sen) | 5.16 | 1.11 |

* Comparative figure of the weighted average number of ordinary shares in issue for the basic earnings per share computations have been restated to reflect the adjustments arising from the share split, which were completed on 12 March 2021.

## 32. DIVIDENDS

| | 2021<br>RM | 2020<br>RM |
|---|---|---|
| *In respect of the financial year ended 31 March 2019:* | | |
| - Single-tier dividend of 2.50 sen per share | - | 5,000,000 |
| *In respect of the financial year ended 31 March 2020:* | | |
| - Single-tier dividend of 2.00 sen per share | 4,000,000 | - |
| *In respect of the financial year ended 31 March 2021:* | | |
| - Single-tier dividend of 2.00 sen per share | 4,000,000 | - |
| | 8,000,000 | 5,000,000 |

On 3 May 2021, the directors declared a final single-tier dividend of 1.25 sen per ordinary share amounting to RM10,000,000* in respect of the financial year ended 31 March 2021.

* *Based on enlarged share capital of 800,000,000 after share split.*

## 33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Aggregate cost of property, plant and equipment acquired (note 5) | 40,970,309 | 9,671,990 | 12,076,688 | 6,708,500 |
| Unpaid balance included under other payables | (857,492) | (765,398) | (789,846) | (765,398) |
| Cash paid in respect of prior year acquisition | 765,398 | - | 765,398 | - |
| Deposits paid for acquisition of leasehold land in prior years | (3,357,510) | - | - | - |
| Deposits paid for acquisition of property, plant and equipment in current year | 3,580,183 | - | 147,000 | - |
| Total cash paid during the financial year | 41,100,888 | 8,906,592 | 12,199,240 | 5,943,102 |

## 34. EMPLOYEE BENEFITS EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Employee benefits expense | 135,268,257 | 132,944,026 | 73,211,385 | 76,541,011 |

Included in the employee benefits expense are EPF contributions amounting to RM10,496,725 (2020: RM10,005,767) for the Group and RM4,498,749 (2020: RM4,488,919) for the Company.

## 35. RELATED PARTY DISCLOSURES

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all directors of the Group, and certain members of senior management of the Group.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions during the financial year were as follows:

| | --- Transaction value --- Company | | -- Balance outstanding -- Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| *Transactions with subsidiary companies* | | | | |
| Rental of trucks paid and payable | 305,340 | 358,180 | 60,590 | 96,350 |
| Labour charges paid and payable | 30,670,334 | 33,473,987 | 7,700,973 | 8,406,903 |
| Rental of premises paid and payables | 4,885,326 | 4,642,496 | 4,999,080 | 1,992,355 |
| Handling fees paid and payable | 519,716 | 4,233,754 | 357,895 | 103,469 |
| Related logistic services paid and payable | 1,665,763 | 535,140 | 546,805 | 132,866 |
| Handling fees received and receivable | 126,718 | 154,883 | 66,519 | 224,398 |
| Related logistics services received and receivable | 9,846,461 | 11,035,016 | 3,895,598 | 2,697,754 |
| Rental of trucks received and receivable | 2,051,265 | 2,430,574 | 2,600 | 181,900 |
| Interest received and receivable | 798,686 | 737,589 | 248,550 | 269,107 |
| Labour charges received and receivable | 335,138 | 252,000 | 29,744 | 21,000 |
| Rental of premises received and receivable | 714,679 | 137,898 | 452,324 | 11,491 |
| Sales of property, plant and equipment | - | 6,168,712 | - | - |
| Purchase of property, plant and equipment | 20,365 | - | 20,365 | - |
| Net repayment from subsidiary companies | 53,593,835 | 62,322,490 | 51,254,190 | 104,848,025 |

## 35. RELATED PARTY DISCLOSURES (CONT'D)

| | Transaction value | | | | Balance outstanding | | | |
|---|---|---|---|---|---|---|---|---|
| | Group | | Company | | Group | | Company | |
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| *Transactions with immediate holding company* | | | | | | | | |
| Related logistic services received and receivable | 67,626,934 | 42,574,884 | 67,626,934 | 42,574,884 | 6,761,282 | 4,102,320 | 6,761,282 | 4,102,320 |
| Related logistic services paid and payable | 36,902,162 | 29,701,121 | 36,902,162 | 29,701,121 | 2,632,524 | 1,487,588 | 2,632,524 | 1,487,588 |
| Management fee paid and payable | 9,716,870 | 10,828,638 | 9,716,870 | 10,828,638 | - | - | - | - |
| IT fees paid and payable | 200,837 | 1,084,335 | 200,837 | 1,084,335 | 30,558 | 100,961 | 30,558 | 100,961 |
| *Transactions with subsidiary companies of the ultimate holding company* | | | | | | | | |
| Related logistic services received and receivable | 112,803,102 | 57,757,514 | 112,803,102 | 57,757,514 | 22,312,990 | 6,587,604 | 22,312,990 | 6,587,604 |
| Related logistic services paid and payable | 108,065,958 | 58,901,741 | 108,065,958 | 58,901,741 | 16,366,244 | 5,340,283 | 16,366,244 | 5,340,283 |
| IT fees paid and payable | 2,311,104 | - | 2,311,104 | - | 135,445 | - | 135,445 | - |
| *Transactions with associated company* | | | | | | | | |
| Accounting fee received and receivable | 19,000 | 17,600 | 19,000 | 17,600 | - | 4,800 | - | 4,800 |
| *Transaction with joint venture company* | | | | | | | | |
| Related logistic services received and receivable | 2,713,889 | 3,108,132 | - | 380,503 | 447,272 | 833,671 | 132,837 | 241,176 |
| *Transactions with corporate shareholder of subsidiary company* | | | | | | | | |
| (Repayment to)/Net advances from corporate shareholder of subsidiary company | (372,000) | 5,317,172 | - | - | 4,945,172 | 5,317,172 | - | - |
| Interest paid and payable | 277,185 | 184,682 | - | - | 106,523 | 115,332 | - | - |

## 36. KEY MANAGEMENT PERSONNEL COMPENSATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| *Directors* | | | | |
| Directors' fee | 204,000 | 208,000 | 204,000 | 208,000 |
| Short-term employee benefits | | | | |
| - salary, bonus and allowances | 4,420,656 | 4,126,684 | 4,420,656 | 4,126,684 |
| Post-employment benefits | | | | |
| - EPF | 497,744 | 469,449 | 497,744 | 469,449 |
| | 5,122,400 | 4,804,133 | 5,122,400 | 4,804,133 |
| *Other key management personnel* | | | | |
| Short-term employee benefits | | | | |
| - salary, bonus and allowances | 4,900,692 | 4,170,340 | 2,769,209 | 2,488,930 |
| Post-employment benefits | | | | |
| - EPF | 524,969 | 431,712 | 259,266 | 215,910 |
| | 5,425,661 | 4,602,052 | 3,028,475 | 2,704,840 |
| Total compensation | 10,548,061 | 9,406,185 | 8,150,875 | 7,508,973 |

## 37. DERECOGNITION OF SUBSIDIARY

On 27 June 2020, the Company lost control over Trans-Asia Shipping Pte Ltd ("TASPL"), which is under members' voluntary winding up and liquidator has been appointed at the same date. Accordingly, the Company deconsolidated TASPL and derecognised its related assets and liabilities.

| | Group<br>2021<br>RM |
|---|---|
| Cash and cash equivalents | 44,992 |
| Transfer from exchange fluctuation reserve | 779,868 |
| | 824,860 |
| Less: cash consideration received | - |
| Loss on derecognition of subsidiary | 824,860 |

The loss on derecognition of subsidiary is recognised in the profit or loss.

| | Group<br>2021<br>RM |
|---|---|
| Net cash outflow arising from derecognition of subsidiary: | |
| Cash consideration received | - |
| Cash and cash equivalents disposed of | (44,992) |
| | (44,992) |

## 38. OTHER COMMITMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 RM | 2020 RM | 2021 RM | 2020 RM |
| Authorised and contracted for: | | | | |
| - acquisition of property, plant and equipments | 9,713,319 | - | 762,933 | - |
| - proposed acquisition of leasehold land | - | 22,469,490 | - | - |
| | 9,713,319 | 22,469,490 | 762,933 | - |

## 39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

| | 2021 RM | 2020 RM |
|---|---|---|
| **Group** | | |
| **Financial assets** | | |
| *Amortised cost* | | |
| Trade receivables | 169,446,656 | 114,514,656 |
| Other receivables * | 9,501,823 | 9,710,770 |
| Amount owing by immediate holding company | 6,761,282 | 4,102,320 |
| Amounts owing by related companies | 22,312,990 | 6,587,604 |
| Amount owing by associated company | 50,000 | 54,800 |
| Amount owing by a joint venture | 447,272 | 833,671 |
| Fixed deposits with licensed banks | 33,104,986 | 78,628,142 |
| Cash and bank balances | 77,832,946 | 113,153,309 |
| | 319,457,955 | 327,585,272 |
| *FVTPL* | | |
| Short term investments | 5,438,139 | 5,329,513 |
| *FVTOCI* | | |
| Other assets – unquoted shares | 302,701 | 302,701 |

* *Excluding prepayments, GST recoverable and deposits paid for the acquisition of property, plant and equipment.*

## 39. FINANCIAL INSTRUMENTS (CONT'D)

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

| | 2021 RM | 2020 RM |
|---|---|---|
| **Group** | | |
| **Financial liabilities** | | |
| *Amortised cost* | | |
| Trade payables | 65,669,077 | 46,760,294 |
| Other payables, deposits and accruals | 42,218,317 | 28,849,507 |
| Amount owing to immediate holding company | 2,663,082 | 1,588,549 |
| Amounts owing to related companies | 16,501,689 | 5,340,283 |
| Amount owing to corporate shareholder of subsidiary company | 5,051,695 | 5,432,504 |
| Lease liabilities | 19,721,937 | 13,320,281 |
| Hire purchase payables | - | 228,658 |
| Bank term loans | 246,475,977 | 323,350,878 |
| | 398,301,774 | 424,870,954 |

| | 2021 RM | 2020 RM |
|---|---|---|
| **Company** | | |
| **Financial assets** | | |
| *Amortised cost* | | |
| Trade receivables | 137,310,182 | 89,523,004 |
| Other receivables * | 10,787,000 | 8,555,105 |
| Amount owing by immediate holding company | 6,761,282 | 4,102,320 |
| Amounts owing by subsidiary companies | 55,949,525 | 108,253,675 |
| Amounts owing by related companies | 22,312,990 | 6,587,604 |
| Amount owing by associated company | 50,000 | 54,800 |
| Amount owing by a joint venture | 132,837 | 241,176 |
| Fixed deposits with licensed banks | 29,300,000 | 54,534,769 |
| Cash and bank balances | 50,690,706 | 50,971,991 |
| | 313,294,522 | 322,824,444 |
| *FVTOCI* | | |
| Other assets – unquoted shares | 302,701 | 302,701 |

* *Excluding prepayments, GST recoverable and deposits paid for the acquisition of property, plant and equipment.*

## 39. FINANCIAL INSTRUMENTS (CONT'D)

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

| | 2021<br>RM | 2020<br>RM |
|---|---|---|
| **Company** | | |
| **Financial liabilities** | | |
| *Amortised cost* | | |
| Trade payables | 56,855,587 | 38,078,114 |
| Other payables, deposits and accruals | 31,799,816 | 26,511,047 |
| Amount owing to immediate holding company | 2,663,082 | 1,588,549 |
| Amounts owing to subsidiary companies | 51,986,778 | 58,825,296 |
| Amounts owing to related companies | 16,501,689 | 5,340,283 |
| Lease liabilities | 15,879,906 | 7,917,406 |
| Bank term loans | 212,700,003 | 285,466,667 |
| | 388,386,861 | 423,727,362 |

(b) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximate their fair values except for the following:

| | Group | | Company | |
|---|---|---|---|---|
| **2021** | **Carrying Amount RM** | **Fair value RM** | **Carrying Amount RM** | **Fair value RM** |
| Bank term loans | 246,475,977 | 207,116,697 | 212,700,003 | 173,340,723 |
| **2020** | | | | |
| Hire purchase payables | 228,658 | 235,404 | - | - |
| Bank term loans | 323,350,878 | 328,607,359 | 285,466,667 | 290,723,148 |

The methods and assumptions used to estimate the fair value of the financial instruments are as follows:

| **Financial instruments** | **Fair values determination** |
|---|---|
| Other assets - unquoted shares | By reference to adjusted fair value (if any) of the investee company at the reporting date. |
| Short term investments | By reference to statements of account at the reporting date provided by fund managers. |
| Borrowings | By reference to the prevailing market interest rates for similar borrowings. |

## 39. FINANCIAL INSTRUMENTS (CONT'D)

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

The Group's and the Company's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined as follows:

| | Level 1 RM | Level 2 RM | Total RM |
|---|---|---|---|
| **Financial assets** | | | |
| **Group** | | | |
| **2021** | | | |
| Other assets - unquoted shares | - | 302,701 | 302,701 |
| Short term investments | - | 5,438,139 | 5,438,139 |
| | - | 5,740,840 | 5,740,840 |
| **2020** | | | |
| Other assets - unquoted shares | - | 302,701 | 302,701 |
| Short term investments | - | 5,329,513 | 5,329,513 |
| | - | 5,632,214 | 5,632,214 |
| **Financial assets** | | | |
| **Company** | | | |
| **2021** | | | |
| Other assets - unquoted shares | - | 302,701 | 302,701 |
| **Financial assets** | | | |
| **Company** | | | |
| **2020** | | | |
| Other assets - unquoted shares | - | 302,701 | 302,701 |

There is no financial instrument classified under level 3 of the fair value hierarchy.

During the financial year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2020: nil).

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity and cash flow risks arising in the normal course of the Group's businesses.

The directors monitor the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The directors review and agree on policies for managing each of these risks and they are summarised below:

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of foreign exchange rates.

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

*Foreign currency risk (Cont'd)*

The Group is exposed to foreign currency risk on sale of services, purchases and borrowings that are denominated in currencies other than the functional currency of the Group. The foreign currencies giving rise to this risk are primarily US Dollar and Singapore Dollar.

The currency exposures of each financial instrument are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items of the Group and the Company as at reporting date. If the following foreign currencies were to strengthen or weaken by 5% against the Group's and the Company's functional currency with all other variables held constant, the Group and the Company profit after tax and equity would increase or decrease as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| US Dollar | 2,084,084 | 1,895,949 | 2,084,084 | 1,895,949 |
| Singapore Dollar | 20,940 | 189,507 | 20,940 | 158,360 |

The other foreign currency denominated monetary items as at reporting date are not material, hence the sensitivity analysis has not been presented.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from the Group's fixed deposits and various borrowings.

Surplus funds are placed with reputable licensed banks, which generate interest income to the Group. The Group manages its interest rate risk by placing such balances on short tenures of three months or less.

The Group's and the Company's exposure to the interest rate risk are primary from the floating interest rate external borrowings.

At the reporting date, if the interest rate had been 50 basis points lower/higher, with all the other variables held constant, the Group's profit net of tax would have been RM128,349 (2020: RM143,960) higher/lower, arising mainly as a result of lower/higher interest expense from floating rate bank term loans. The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

*Credit risk*

Credit risk is the risk of loss that may arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

Exposure to credit risk arising from sale of services made on deferred terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

*Credit risk (Cont'd)*

As at the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Loss allowance is measured at an amount equal to lifetime ECL. The ECL are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, including the expected impact of Covid-19 outbreak and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In measuring the ECL, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The ECL rates are based on the payment profile for sales over the past 36 months before the current financial period as well as the corresponding credit losses during the respective financial period in the past. The historical rates are adjusted to reflect the current and forward-looking macroeconomic factors affecting the customers' ability to settle the outstanding balances and additional expected loss rate on Covid-19 outbreak is adjusted in provision matrix. However, given the short period of exposure to credit risk, the impact of the Covid-19 outbreak has not been considered significant within the current financial period.

During the financial year, the Company provides corporate guarantee for the bank borrowing of a subsidiary company and corporate guarantees to third parties on behalf of joint venture. The Company monitor the results of the subsidiary company and joint venture, and the repayment of borrowings on regular basis. The maximum exposure of the Group and of the Company to credit risk arising from the above guarantees amounting to RM12,550,000 and RM46,325,974 respectively (2020: RM12,200,000 and RM50,084,211).

The management determined the fair value of the above financial guarantees to be not significant.

As at the reporting date, there was no indication that the subsidiary company and joint venture would default on repayment. Accordingly, no loss allowances were identified based on 12-month ECL on these guarantees.

As at year end, RM14.89 million or 9% (2020: RM8.83 million or 8%) of trade receivables is outstanding from a single debtor.

Management has taken reasonable steps to ensure that receivables that are past due but not impaired are stated at their realisable values. A significant portion of these receivables are regular customers who have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

A receivable is written off when there is evidence indicating that there is no reasonable expectation of recovery based on management's internal assessment or when the receivable has suffered a loss.

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The following table provides information about the exposure credit risk and ECL for receivables which are trade in nature:

| | Gross carrying amount RM | Loss allowance RM | Carrying amount RM |
|---|---|---|---|
| **Group** | | | |
| 31 March 2021 | | | |
| Not past due | 152,824,033 | 669,255 | 152,154,778 |
| Less than 30 days past due | 32,807,149 | 189,991 | 32,617,158 |
| Between 30 and 90 days past due | 11,109,082 | 249,302 | 10,859,780 |
| | 196,740,264 | 1,108,548 | 195,631,716 |
| Credit impaired: | | | |
| - more than 90 days past due | 3,409,182 | 634,847 | 2,774,335 |
| - individually impaired | 880,028 | 317,879 | 562,149 |
| | 201,029,474 | 2,061,274 | 198,968,200 |
| Included under receivables: | | | |
| Trade receivables | 171,507,930 | 2,061,274 | 169,446,656 |
| Amount owing by immediate holding company | 6,761,282 | - | 6,761,282 |
| Amounts owing by related companies | 22,312,990 | - | 22,312,990 |
| Amount owing by joint venture | 447,272 | - | 447,272 |
| | 201,029,474 | 2,061,274 | 198,968,200 |
| **Company** | | | |
| 31 March 2021 | | | |
| Not past due | 126,292,074 | 415,954 | 125,876,120 |
| Less than 30 days past due | 30,652,623 | 121,485 | 30,531,138 |
| Between 30 and 90 days past due | 11,250,386 | 180,069 | 11,070,317 |
| | 168,195,083 | 717,508 | 167,477,575 |
| Credit impaired: | | | |
| - more than 90 days past due | 3,437,053 | 512,701 | 2,924,352 |
| - individually impaired | 880,028 | 317,879 | 562,149 |
| | 172,512,164 | 1,548,088 | 170,964,076 |
| Included under receivables: | | | |
| Trade receivables | 138,858,270 | 1,548,088 | 137,310,182 |
| Amount owing by immediate holding company | 6,761,282 | - | 6,761,282 |
| Amounts owing by subsidiary companies | 4,446,785 | - | 4,446,785 |
| Amounts owing by related companies | 22,312,990 | - | 22,312,990 |
| Amount owing by joint venture | 132,837 | - | 132,837 |
| | 172,512,164 | 1,548,088 | 170,964,076 |

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The following table provides information about the exposure credit risk and ECL for receivables which are trade in nature (Cont'd):

| | Gross carrying amount RM | Loss allowance RM | Carrying amount RM |
|---|---|---|---|
| **Group** | | | |
| 31 March 2020 | | | |
| Not past due | 82,925,654 | 94,110 | 82,831,544 |
| Less than 30 days past due | 24,840,872 | 82,195 | 24,758,677 |
| Between 30 and 90 days past due | 13,023,245 | 29,376 | 12,993,869 |
| | 120,789,771 | 205,681 | 120,584,090 |
| Credit impaired: | | | |
| - more than 90 days past due | 5,987,053 | 702,113 | 5,284,940 |
| - individually impaired | 960,300 | 791,079 | 169,221 |
| | 127,737,124 | 1,698,873 | 126,038,251 |
| Included under receivables: | | | |
| Trade receivables | 116,213,529 | 1,698,873 | 114,514,656 |
| Amount owing by immediate holding company | 4,102,320 | - | 4,102,320 |
| Amounts owing by related companies | 6,587,604 | - | 6,587,604 |
| Amount owing by joint venture | 833,671 | - | 833,671 |
| | 127,737,124 | 1,698,873 | 126,038,251 |
| **Company** | | | |
| 31 March 2020 | | | |
| Not past due | 72,922,741 | 92,756 | 72,829,985 |
| Less than 30 days past due | 15,951,401 | 75,436 | 15,875,965 |
| Between 30 and 90 days past due | 9,884,686 | 29,077 | 9,855,609 |
| | 98,758,828 | 197,269 | 98,561,559 |
| Credit impaired: | | | |
| - more than 90 days past due | 5,109,040 | 249,173 | 4,859,867 |
| - individually impaired | 945,669 | 776,448 | 169,221 |
| | 104,813,537 | 1,222,890 | 103,590,647 |
| Included under receivables: | | | |
| Trade receivables | 90,745,894 | 1,222,890 | 89,523,004 |
| Amount owing by immediate holding company | 4,102,320 | - | 4,102,320 |
| Amounts owing by subsidiary companies | 3,136,543 | - | 3,136,543 |
| Amounts owing by related companies | 6,587,604 | - | 6,587,604 |
| Amount owing by joint venture | 241,176 | - | 241,176 |
| | 104,813,537 | 1,222,890 | 103,590,647 |

For other receivables and other financial assets (including cash and balances, fixed deposits placed with licensed banks, short term investments and amounts owing from associated company, joint venture and subsidiaries), the Group and the Company minimise credit risk by dealing exclusively with creditworthy counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Other receivables and other financial assets are also subject to impairment requirements of MFRS 9. The identified impairment loss is assessed to be insignificant.

*Receivables that are past due but not impaired*

The Group believes that no impairment allowance is necessary in respect of these receivables. They are substantially companies with good collection track record and no recent history of default.

*Receivables that are neither past due nor impaired*

A significant portion of receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of these receivables.

The movements in the allowance for impairment losses of trade in nature receivables during the year were:

| | Group RM | Company RM |
|---|---|---|
| **2021** | | |
| At 1 April 2020 | 1,698,873 | 1,222,890 |
| Additions of allowance for doubtful debts | 362,401 | 325,198 |
| At 31 March 2021 | 2,061,274 | 1,548,088 |
| **2020** | | |
| At 1 April 2019 | 996,093 | 605,760 |
| Additions of allowance for doubtful debts | 702,780 | 617,130 |
| At 31 March 2020 | 1,698,873 | 1,222,890 |

*Liquidity and cash flow risks*

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

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. 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.

Owing to the nature of its businesses, the Group seeks to maintain sufficient credit lines to meet its liquidity requirements while ensuring an effective working capital management within the Group.

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

*Liquidity and cash flow risks (Cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at 31 March based on the contractual undiscounted cash flows.

| 2021 | Less than 1 year RM | 1 to 5 years RM | More than 5 years RM | Total RM |
|---|---|---|---|---|
| **Group** | | | | |
| Trade payables | 65,669,077 | - | - | 65,669,077 |
| Other payables, deposits and accruals | 42,218,317 | - | - | 42,218,317 |
| Amount owing to immediate holding company | 2,663,082 | - | - | 2,663,082 |
| Amounts owing to related companies | 16,501,689 | - | - | 16,501,689 |
| Amount owing to corporate shareholder of subsidiary company | 504,650 | 1,569,245 | 3,253,622 | 5,327,517 |
| Lease liabilities | 9,209,889 | 11,075,542 | - | 20,285,431 |
| Bank term loans | 31,278,604 | 125,114,414 | 101,828,002 | 258,221,020 |
| Total undiscounted financial liabilities | 168,045,308 | 137,759,201 | 105,081,624 | 410,886,133 |
| Financial guarantee contracts * | 12,985,599 | - | - | 12,985,599 |
| **Company** | | | | |
| Trade payables | 56,855,587 | - | - | 56,855,587 |
| Other payables, deposits and accruals | 31,799,816 | - | - | 31,799,816 |
| Amount owing to immediate holding company | 2,663,082 | - | - | 2,663,082 |
| Amounts owing to subsidiary companies | 51,986,778 | - | - | 51,986,778 |
| Amounts owing to related companies | 16,501,689 | - | - | 16,501,689 |
| Lease liabilities | 7,254,639 | 9,132,174 | - | 16,386,813 |
| Bank term loans | 25,682,831 | 102,731,322 | 94,858,559 | 223,272,712 |
| Total undiscounted financial liabilities | 192,744,422 | 111,863,496 | 94,858,559 | 399,466,477 |
| Financial guarantee contracts * | 18,393,663 | 25,790,146 | 2,577,764 | 46,761,573 |

| 2020 | Less than 1 year RM | 1 to 5 years RM | More than 5 years RM | Total RM |
|---|---|---|---|---|
| **Group** | | | | |
| Trade payables | 46,760,294 | - | - | 46,760,294 |
| Other payables, deposits and accruals | 28,849,507 | - | - | 28,849,507 |
| Amount owing to immediate holding company | 1,588,549 | - | - | 1,588,549 |
| Amounts owing to related companies | 5,340,283 | - | - | 5,340,283 |
| Amount owing to corporate shareholder of subsidiary company | 513,940 | 1,569,244 | 3,645,934 | 5,729,118 |
| Lease liabilities | 9,425,840 | 4,407,408 | - | 13,833,248 |
| Hire purchase payables | 222,113 | 11,579 | - | 233,692 |
| Bank term loans | 81,912,997 | 166,585,133 | 90,321,093 | 338,819,223 |
| Total undiscounted financial liabilities | 174,613,523 | 172,573,364 | 93,967,027 | 441,153,914 |
| Financial guarantee contracts * | 12,412,810 | 393,641 | - | 12,806,451 |

## 40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

*Liquidity and cash flow risks (Cont'd)*

| 2020 | Less than 1 year RM | 1 to 5 years RM | More than 5 years RM | Total RM |
|---|---|---|---|---|
| **Company** | | | | |
| Trade payables | 38,078,114 | - | - | 38,078,114 |
| Other payables, deposits and accruals | 26,511,047 | - | - | 26,511,047 |
| Amount owing to immediate holding company | 1,588,549 | - | - | 1,588,549 |
| Amounts owing to subsidiary companies | 58,825,296 | - | - | 58,825,296 |
| Amounts owing to related companies | 5,340,283 | - | - | 5,340,283 |
| Lease liabilities | 7,640,677 | 633,011 | - | 8,273,688 |
| Bank term loans | 76,229,578 | 143,851,458 | 78,970,786 | 299,051,822 |
| Total undiscounted financial liabilities | 214,213,544 | 144,484,469 | 78,970,786 | 437,668,799 |
| Financial guarantee contracts * | 18,220,731 | 26,985,505 | 5,484,426 | 50,690,662 |

* The management determined the fair value of the above financial guarantees to be not significant at their initial recognition.

## 41. CAPITAL MANAGEMENT

The Group's primary objectives when managing its capital are to safeguard the Group's ability to continue as a going concern and to provide adequate returns to shareholders whilst sustaining future development of the business.

The Group actively and regularly reviews and manages its capital structure with a view to optimising the debt and equity balance. The Group monitors capital on the basis of total debt to equity ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, increase borrowings or sell assets to reduce debts.

No changes were made in the objectives, policies or processes during the year.

The Group's total debt-to-equity ratios at 31 March 2021 and 31 March 2020 were as follows:

| | 2021 RM | 2020 RM |
|---|---|---|
| Share capital | 100,801,317 | 100,801,317 |
| Reserves | 368,798,723 | 334,880,885 |
| Total equity | 469,600,040 | 435,682,202 |
| Lease liabilities | 19,721,937 | 13,320,281 |
| Amount owing to corporate shareholder of subsidiary company | 5,051,695 | 5,432,504 |
| Bank term loans | 246,475,977 | 323,350,878 |
| Hire purchase payables | - | 228,658 |
| Total debt | 271,249,609 | 342,332,321 |
| Total debt to equity ratio (times) | 0.58 | 0.79 |

## 42. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

All the operations of the Group are organised into five main segments:

| | |
|---|---|
| (i) Air Freight Forwarding Division ("AFF") | - Air freight forwarding |
| (ii) Contract Logistics Division ("CLD") | - Customs forwarding, warehousing, in-plant and container haulage |
| (iii) Trucking Division ("TD") | - Trucking |
| (iv) Ocean Freight Forwarding Division ("OFF") | - Sea freight forwarding and buyer consolidation services |
| (v) Cold Supply Chain Division ("CSC") | - Cold supply chain |

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

| 2021 | AFF RM | CLD RM | TD RM | OFF RM | CSC RM | Consolidated RM |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| External sales | 288,599,102 | 342,466,535 | 71,784,276 | 117,759,164 | 126,003,090 | 946,612,167 |
| Represented by: | | | | | | |
| *Revenue recognised at a point of time* | 288,599,102 | 81,420,303 | - | 117,759,164 | 86,402,635 | 574,181,204 |
| *Revenue recognised over time* | - | 261,046,232 | 71,784,276 | - | 39,600,455 | 372,430,963 |
| Consolidated revenue | 288,599,102 | 342,466,535 | 71,784,276 | 117,759,164 | 126,003,090 | 946,612,167 |
| Segment results | 22,636,276 | 36,577,617 | (2,034,896) | 3,041,975 | 11,645,990 | 71,866,962 |
| Unallocated corporate income | - | - | - | - | - | 2,927,424 |
| Profit from operations | - | - | - | - | - | 74,794,386 |
| Share of results of associated company and joint venture | - | - | - | - | - | 291,946 |
| Finance costs | - | - | - | - | - | (14,396,928) |
| Profit before tax | - | - | - | - | - | 60,689,404 |
| Tax expense | - | - | - | - | - | (17,020,092) |
| Profit for the year | - | - | - | - | - | 43,669,312 |

## 42. SEGMENTAL ANALYSIS (CONT'D)

(a) Primary reporting format - business segment (Cont'd)

| 2021 | AFF RM | CLD RM | TD RM | OFF RM | CSC RM | Consolidated RM |
|---|---|---|---|---|---|---|
| Included in operating profit: | | | | | | |
| Depreciation of property, plant and equipment | - | - | - | - | - | 28,441,764 |
| Amortisation of right-of-use assets | - | - | - | - | - | 11,071,947 |
| Allowance for doubtful debts | - | - | - | - | - | 362,401 |
| Bad debts written off | - | - | - | - | - | 147,213 |
| Gain on disposal of property, plant and equipment | - | - | - | - | - | (809,323) |
| Property, plant and equipment written off | - | - | - | - | - | 194,208 |
| Fair value gain on short term investments | - | - | - | - | - | (108,626) |
| Unrealised gain on foreign exchange (net) | - | - | - | - | - | 2,404,500 |
| Gain on early termination of lease contracts | - | - | - | - | - | (3,835) |
| Other investment written off | - | - | - | - | - | 18,000 |
| Loss on disposal of other investment | - | - | - | - | - | 42,000 |
| Loss on derecognition of subsidiary | - | - | - | - | - | 824,860 |

| 2020 | AFF RM | CLD RM | TD RM | OFF RM | CSC RM | Consolidated RM |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| External sales | 143,679,473 | 311,022,125 | 79,707,141 | 95,521,215 | 117,508,349 | 747,438,303 |
| Represented by: | | | | | | |
| *Revenue recognised at a point of time* | 143,679,473 | 139,488,779 | - | 95,521,215 | 77,920,443 | 456,609,910 |
| *Revenue recognised over time* | - | 171,533,346 | 79,707,141 | - | 39,587,906 | 290,828,393 |
| Consolidated revenue | 143,679,473 | 311,022,125 | 79,707,141 | 95,521,215 | 117,508,349 | 747,438,303 |
| Segment results | 5,497,253 | 26,895,072 | (3,948,268) | 1,647,592 | 4,883,386 | 34,975,035 |
| Unallocated corporate income | - | - | - | - | - | 4,272,400 |
| Profit from operations | - | - | - | - | - | 39,247,435 |
| Share of results of associated company and joint venture | - | - | - | - | - | (302,060) |
| Finance costs | - | - | - | - | - | (18,347,594) |
| Profit before tax | - | - | - | - | - | 20,597,781 |
| Tax expense | - | - | - | - | - | (10,691,638) |
| Profit for the year | - | - | - | - | - | 9,906,143 |

## 42. SEGMENTAL ANALYSIS (CONT'D)

(a) Primary reporting format - business segment (Cont'd)

| 2020 | AFF RM | CLD RM | TD RM | OFF RM | CSC RM | Consolidated RM |
|---|---|---|---|---|---|---|
| Included in operating profit: | | | | | | |
| Depreciation of property, plant and equipment | - | - | - | - | - | 31,002,867 |
| Amortisation of right-of-use assets | - | - | - | - | - | 9,677,389 |
| Allowance for doubtful debts | - | - | - | - | - | 702,780 |
| Bad debts written off | - | - | - | - | - | 196,771 |
| Gain on disposal of property, plant and equipment | - | - | - | - | - | (648,816) |
| Property, plant and equipment written off | - | - | - | - | - | 58,618 |
| Fair value gain on short term investments | - | - | - | - | - | (174,436) |
| Unrealised gain on foreign exchange (net) | - | - | - | - | - | (1,219,222) |

RM135.9 million or 14.4% (2020: RM93.61 million or 12.5%) of the Group's revenue arising from a single customer.

(b) Secondary reporting format - geographical segment

As the Group's total logistics solutions activities cover destinations located throughout the world, the directors do not consider it meaningful to allocate revenue and assets to specific geographical segments.

## 43. SIGNIFICANT EVENTS DURING THE YEAR

(a) On 10 May 2019, Gold Cold Solutions Sdn Bhd and Titian Pelangi Sdn Bhd ("collectively referred to as the "Purchasers"), both being subsidiaries of the Company had entered into a Sale and Purchase Agreement ("SPA") with Hai San Holdings Sdn Bhd (In Liquidation) and Hai San & Sons Sdn Bhd (In Liquidation) (collectively referred to as the "Vendors") for the proposed acquisition of seven (7) parcels of leasehold industrial land located in Port Klang, Selangor measuring approximately 16.3 acres in total, together with the buildings erected thereon for a total cash consideration of RM25,827,000 ("Proposed Acquisition").

Earnest deposits for the Proposed Acquisition amounting to RM456,600 and RM2,900,910 was paid on 17 August 2018 and 24 April 2019 respectively, which were funded using the internal funds of the Company.

The Proposed Acquisition has been completed during the financial year.

(b) On 12 March 2021, the Company completed its sub-division of every one (1) existing issued and fully paid ordinary shares into four (4) subdivided shares ("Share Split"). Consequential to the completion of Share Split, 800,000,000 Subdivided Shares were successfully listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

## 44. SUBSEQUENT EVENTS AFTER YEAR END

On 21 April 2021, the Company announced that TYGC, a 70%-owned subsidiary of the Company, had on 21 April 2021 entered into a conditional share sale agreement ("SSA") for the acquisition of 1,285,000 ordinary shares in Hypercold Logistics Sdn Bhd ("Hypercold"), representing 50% equity interest in Hypercold, for a cash consideration of RM10,550,000 ("Proposed Acquisition of Hypercold").

In addition to the SSA, TYGC had on 21 April 2021 entered into a shareholders' agreement with Swift Integrated Logistics Sdn Bhd ("SILSB") to regulate the affairs of Hypercold and the respective rights of TYGC and SILSB as remaining 50% shareholder of Hypercold.

The Proposed Acquisition of Hypercold is expected to be completed within the next financial year.

## 45. COVID-19 OUTBREAK

On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 3 May 2020 and further extended through a Conditional MCO ("CMCO") till 9 June 2020. The CMCO is replaced by Recovery MCO ("RMCO") from 10 June 2020 to 31 March 2021.

On 11 January 2021, the Government of Malaysia announced the re-imposition of MCO to the states of Malacca, Johor, Penang, Selangor, Sabah and the Federal Territories of Kuala Lumpur, Putrajaya and Labuan from 13 January 2021 to 4 February 2021. The MCO, CMCO and RMCO are further extended till 11 May 2021 in respective states.

On 10 May 2021, the Government of Malaysia announced nationwide MCO from 12 May 2021 to 7 June 2021.

Various measures to prevent the spread of the virus such as restricted movement, overseas and interstate travel bans, closure of businesses and education institutions and workfrom-home arrangements have impacted consumer spending power and pattern and brought about significant economic uncertainties in Malaysia.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as its logistics operations were allowed to operate throughout the MCO under the respective guidelines set by the National Security Council and the Ministry of International Trade and Industry.

At the reporting date, the Group and the Company have taken the appropriate steps to re-assess their customers' credit risks and tighten the credit controls in order to mitigate any risk of non-collection due from the Covid-19 outbreak. Additional expected credit losses on receivables was recognised as at 31 March 2021 due to a foreseeable decline in the repayment ability of certain debtors.

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

## 46. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 27 May 2021.

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lee Check Poh and Lee Wan Kai, being directors of TASCO Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 80 to 153 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2021 and the financial performance and cash flows of the Group and of the Company for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a directors' resolution.

| | |
|---|---|
| **LEE CHECK POH** | **LIM JEW KIAT** |
| Director | Director |

Kuala Lumpur

Date: 27 May 2021

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Tan Kim Yong (I/C No.: 620120-10-6609), being the director primarily responsible for the financial management of TASCO Berhad do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements set out on pages 80 to 153 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

| | |
|---|---|
| Subscribed and solemnly<br>declared by the abovenamed<br>Tan Kim Yong<br>at Kuala Lumpur<br>in the Federal Territory<br>this 27 May 2021 | TAN KIM YONG<br>Chartered Accountant<br>MIA No: 8219 |
| Before me: | HJ. WAN AZMAN B.<br>HJ. WAN ABDULLAH<br>No. W728<br>Commisioner of Oath |

# LIST OF PROPERTIES

| No. | Location | Description | Existing Use | Tenure of land/Date of expiry of lease | Land Area/ Built up Area (sq. m) | Approximate Age of Properties | Date Acquired | Net Book value 31.03.2021 (RM'000) |
|---|---|---|---|---|---|---|---|---|
| 1. | Westport<br>Lot No. PT 128571, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 54,807<br>Built-up - 30,907 | 14 years | 01-Jun-18 | 127,999 |
| | Lot No. PT 128572, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 35,838 | | 01-Jun-18 | |
| | Lot No. PT 128573, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 17,481 | | 01-Jun-18 | |
| | Lot No. PT 128574, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 20,149<br>Built-up - 6,770 | 13 years | 01-Jun-18 | |
| | Lot No. PT 128575, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 13,038<br>Built-up - 532 | 14 years | 01-Jun-18 | |
| | Lot No. PT 128576, Jalan Perigi Nenas 7/2<br>Taman Perindustrial Pulau Indah (Westport)<br>42920 Pelabuhan Klang, Selangor | Industrial Land | Westport Logistics Centre | Leasehold 99 years expiring 24.02.2097 | Land - 18,622 | | 01-Jun-18 | |
| 2. | Shah Alam<br>No. 1, Jalan Sungai Kayu Ara 32/37<br>Berjaya Industrial Park, Section 32<br>40460 Shah Alam, Selangor | Industrial Land | Berjaya Industrial Logistics Centre | Freehold | Land - 7,841<br>Built-up - 10,728 | 7 years | 12-Jul-17 | 104,936 |
| | No. 3, Jalan Sungai Kayu Ara 32/40<br>Berjaya Industrial Park, Section 32<br>40460 Shah Alam, Selangor | Industrial Land | Berjayaa Industrial Logistics Centre | Freehold | Land - 7,860<br>Built-up - 5,429 | 18 years | 12-Jul-17 | |
| | No. 4, Jalan Sungai Kayu Ara 32/39<br>Berjaya Industrial Park, Section 32<br>40460 Shah Alam, Selangor | Industrial Land | Berjaya Industrial Logistics Centre | Freehold | Land - 7,860<br>Built-up - 4,949 | 15 years | 12-Jul-17 | |
| | No. 5, Jalan Sungai Kayu Ara 32/40<br>Berjaya Industrial Park, Section 32<br>40460 Shah Alam, Selangor | Industrial Land | Berjaya Industrial Logistics Centre | Freehold | Land - 7,518<br>Built-up - 10,437 | 12 years | 12-Jul-17 | |
| 3. | Shah Alam<br>Lot No. 1A, Persiaran Jubli Perak<br>Jalan 22/1, Seksyen 22,<br>40300 Shah Alam, Selangor. | Industrial Land | Corporate Head Office, Shah Alam Logistics Centre | Leasehold 99 years expiring 09.07.2094 | Land - 92,701<br>Build-up - 26,718 | 32 years | 30-Jun-09 | 64,926 |
| | | | Warehouse F<br>Warehouse E | | Build-up - 16,800<br>Build-up - 16,800 | 9 years<br>8 years | | |
| 4. | Port of Tanjung Pelepas<br>Plot D28E, Distripark B<br>Pelepas Free Trade Zone<br>Port of Tanjung Pelepas, Johor | Industrial Land | Tanjung Pelepas Logistics Centre | Leasehold 60 years expiring 23.03.2055 | Land - 20,233<br>Build-up - 20,919 | 6 years | 19-Mar-12 | 33,016 |

# LIST OF PROPERTIES

| No. | Location | Description | Existing Use | Tenure of land/Date of expiry of lease | Land Area/ Built up Area (sq. m) | Approximate Age of Properties | Date Acquired | Net Book value 31.03.2021 (RM'000) |
|---|---|---|---|---|---|---|---|---|
| 5. | Bandar Baru Bangi<br>Lot 46860 (PT 61382), Seksyen 10<br>43650 Bandar Baru Bangi, Selangor | Industrial Land | Bangi Logistics Centre III<br>Bangi Logistics Centre II | Leasehold 99 years expiring 19.08.2098 | Land - 60,241<br>Build-up - 12,119<br>Build-up - 19,584 | 13 years<br>10 years | 25-May-04 | 25,386 |
| | Bandar Baru Bangi<br>Lot 46864 (PT 61734), Seksyen 10<br>43650 Bandar Baru Bangi, Selangor | Industrial Land | Access road | Leasehold 99 years expiring 19.08.2098 | Land - 450 | N/A | 25-May-04 | 77 |
| 6. | Port Klang<br>Lot 15728, Jala Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | Industrial Land | Warehouse | Leasehold 60 years expiring 15.05.2029 | Land - 25,114<br>Build-up - 17,057 | 29 years | 08-Jul-20 | 21,758 |
| | PT 506, Jala Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | | | Leasehold 60 years expiring 18.06.2034 | Land - 16,592<br>Build-up - 8,417 | 43 years | 08-Jul-20 | |
| | PT 507, Jala Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | | | Leasehold 60 years expiring 18.06.2034 | Land - 18,210<br>Build-up - 8,895 | 43 years | 08-Jul-20 | |
| | PT 9998, Jalan Pelabuhan Utara<br>Bandar Sultan Suleiman,<br>Pelabuhan Klang, Selangor | | | Leasehold 60 years expiring 07.09.2082 | Land - 2,287 | | 24-Aug-20 | |
| | PT 73156, Jalan Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | | | Leasehold 99 years expiring 11.10.2099 | Land - 2,578 | | 24-Aug-20 | |
| | PT 73157, Jalan Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | | | Leasehold 99 years expiring 11.10.2099 | Land - 493 | | 24-Aug-20 | |
| | PT 73158, Jalan Pelabuhan Utara<br>Bandar Sultan Suleiman<br>Pelabuhan Klang, Selangor | | | Leasehold 99 years expiring 11.10.2099 | Land - 955 | | 24-Aug-20 | |
| 7. | Port Klang<br>Lot 2, Solok Sultan Hishamuddin 10<br>Kawasan Perindustrian Selat Klang Utara<br>42000 Port Klang, Selangor | Industrial Land | Port Klang Container Depot | Leasehold 99 years expiring 09.06.2086 | Land - 24,068<br>Built-up - 57.6 | 20 years | 02-Feb-18 | 14,141 |
| 8. | Seberang Perai Tengah<br>1441 Lorong Perusahaan Maju 8<br>Prai Industrial Estate, Phase 4<br>13600 Prai, Pulau Pinang | Industrial Land | Penang Prai Logistics Centre | Leasehold 99 years expiring 23.10.2110 | Land - 20,639<br>Build-up - 9,282 | 29 years | 18-Jun-08 | 11,784 |
| 9. | Port Klang<br>Lot 22 (PT4153), Lengkungan Sultan<br>Hishamuddin, North Klang Straits Industrial<br>Estate, Mukim Kapar, Kawasan 20<br>40000 Port Klang, Selangor | Industrial Land | Port Klang Logistics Centre | Leasehold 99 years expiring 09.06.2086 | Land - 29,509<br>Build-up - 17,078 | 29 years | 19-Feb-08 | 9,736 |
| 10. | Bayan Lepas<br>Plot 93 Lintang Bayan Lepas 9<br>Taman Perindustrian Bayan Lepas<br>Fasa IV, 11900 Bayan Lepas, Pulau Pinang | Industrial Land | Penang Air Freight Logistics Centre | Leasehold 60 years expiring 31.01.2062 | Land - 8,146<br>Build-up - 3,040 | 14 years | 04-Jun-08 | 6,118 |

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2021

| | | |
|---|---|---|
| Issued and Fully paid-up Capital | : | RM100,801,317 |
| Class of Shares | : | Ordinary Shares |
| Voting Rights | : | One vote per ordinary share |

## DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings | No. of Holders | Total Holdings | % |
|---|---|---|---|
| Less than 100 shares | 30 | 660 | 0.00 |
| 100 to 1,000 shares | 832 | 633,540 | 0.08 |
| 1,001 to 10,000 shares | 4,110 | 20,720,600 | 2.59 |
| 10,001 to 100,000 shares | 1821 | 58,101,300 | 7.26 |
| 100,001 to less than 5% of issued shares | 267 | 318,866,932 | 39.86 |
| 5% and above issued shares | 4 | 401,676,968 | 50.21 |
| Total | 7,064 | 800,000,000 | 100.00 |

## LIST OF 30 LARGEST SHAREHOLDERS

| | Name of Shareholders | No. of shares | % |
|---|---|---|---|
| 1 | Yusen Logistics (Singapore) Pte Ltd | 145,841,928 | 18.23 |
| 2 | Yusen Logistics Co., Ltd | 144,078,544 | 18.01 |
| 3 | Yusen Logistics Co., Ltd | 59,039,768 | 7.38 |
| 4 | Nippon Yusen Kabushiki Kaisha | 52,716,728 | 6.59 |
| 5 | Real Fortune Portfolio Sdn Bhd | 32,500,000 | 4.06 |
| 6 | CIMSEC Nominees (Tempatan) Sdn Bhd<br>CIMB For Real Fortune Portfolio Sdn Bhd (PB) | 30,643,504 | 3.83 |
| 7 | Nippon Yusen Kabushiki Kaisha | 24,000,000 | 3.00 |
| 8 | Yusen Logistics (Singapore) Pte Ltd | 24,000,000 | 3.00 |
| 9 | Yusen Logistics Co., Ltd | 24,000,000 | 3.00 |
| 10 | Yusen Logistics Co., Ltd | 24,000,000 | 3.00 |
| 11 | Yusen Logistics (Singapore) Pte Ltd | 22,079,528 | 2.76 |
| 12 | Real Fortune Portfolio Sdn Bhd | 16,000,000 | 2.00 |
| 13 | Maybank Nominees (Tempatan) Sdn Bhd<br>National Trust Fund | 9,010,800 | 1.13 |
| 14 | Siao Choon Ping | 7,938,600 | 0.99 |
| 15 | CIMB Group Nominees (Tempatan) Sdn Bhd<br>Exempt An For Petroliam Nasional Berhad | 4,231,600 | 0.53 |
| 16 | HSBC Nominees (Asing) Sdn Bhd<br>HSBC-FS I For Asean Growth Fund | 4,119,500 | 0.51 |
| 17 | Citigroup Nominees (Asing) Sdn Bhd<br>UBS AG | 3,700,700 | 0.46 |
| 18 | Maybank Nominees (Tempatan) Sdn Bhd<br>Medical Fund | 3,095,600 | 0.39 |
| 19 | Alliancegroup Nominees (Tempatan) Sdn Bhd<br>Pledged Securities Account For Bakat Impian Sdn Bhd | 2,867,000 | 0.36 |
| 20 | Amanahraya Trustees Berhad<br>Affin Hwang Growth Fund | 2,518,000 | 0.31 |
| 21 | DB (Malaysia) Nominee (Tempatan) Sendirian Berhad<br>Exempt An For Affin Hwang Asset Management Berhad | 2,000,500 | 0.25 |
| 22 | Ong Ee Nah | 2,000,000 | 0.25 |
| 23 | Yeoh Khee Huat | 1,940,000 | 0.24 |

# ANALYSIS OF SHAREHOLDINGS
AS AT 30 JULY 2021

### LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

| | Name of Shareholders | No. of shares | % |
|---|---|---|---|
| 24 | Amanahraya Trustee Berhad<br>Affin Hwang Principled Growth Fund | 1,926,000 | 0.24 |
| 25 | Hiew Shene Bang | 1,873,500 | 0.23 |
| 26 | Yeoh Yew Choo | 1,832,400 | 0.23 |
| 27 | Sow Tiap | 1,792,000 | 0.22 |
| 28 | Cheong Sok Yin | 1,742,000 | 0.22 |
| 29 | DM (Malaysia) Nominee (Tempatan) Sendirian Berhad<br>Deutsche Trustees Malaysia Berhad For United Asean Discovery Fund | 1,400,000 | 0.18 |
| 30. | Federlite Holdings Sdn Bhd | 1,376,800 | 0.17 |
| | **Total** | **654,265,000** | **81.77** |

### SUBSTANTIAL SHAREHOLDERS

The details of the substantial shareholders of our Company and their respective shareholdings in our Company as per the Register of Substantial Shareholders are as follows:

| | Name of Substantial Shareholders | Direct Interest | % | Indirect Interest | % |
|---|---|---|---|---|---|
| 1 | Yusen Logistics Co., Ltd. | 251,118,312 | 31.38 | 191,921,456[1] | 23.99 |
| 2 | Yusen Logistics (Singapore) Pte Ltd | 191,921,456 | 23.99 | - | - |
| 3 | Nippon Yusen Kabushiki Kaisha | 76,716,728 | 9.59 | 443,039,768[2] | 55.38 |
| 4 | Real Fortune Portfolio Sdn Bhd | 79,143,504 | 9.89 | - | - |
| 5 | Lee Check Poh | - | - | 79,143,504[3] | 9.89 |

### DIRECTORS' SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors' direct and indirect interests in share in the Company are as follows:

| | Name of Directors | Direct Interest | % | Indirect Interest | % |
|---|---|---|---|---|---|
| 1 | Lee Check Poh | - | - | 79,143,504[3] | 9.89 |
| 2 | Lim Jew Kiat | 480,000 | 0.06 | - | - |
| 3 | Tan Kim Yong | 240,000 | 0.03 | - | - |
| 4 | Kwong Hoi Meng | 88,000 | 0.01 | - | - |
| 5 | Raymond Cha Kar Siang | 88,000 | 0.01 | - | - |
| 6 | Raippan s/o Yagappan @ Raiappan Peter | 88,000 | 0.01 | - | - |
| 7 | Lee Wan Kai | 80,000 | 0.01 | - | - |

1 Deemed interested by virtue of its equity interest in Yusen Logistics (Singapore) Pte Ltd pursuant to Section 8 of the Act,
2 Deemed interested by virtue of its subsidiaries companuies, Yusen Logistics Co., Ltd and Yusen Logistics (Singapore) Pte Ltd's equity interest in our Company pursuant to Section 8 of the Act
3 Deemed interested by virtue of its equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 8 of the Act

# SUBSIDIARY AND ASSOCIATED COMPANIES

## SUBSIDIARY COMPANIES

| | Country | Group Effective Interest % 31.03.2021 | % 31.03.2020 | Principal Activities |
|---|---|---|---|---|
| Baik Sepakat Sdn Bhd | Malaysia | 100 | 100 | Truck rental and insurance agency services |
| Tunas Cergas Logistik Sdn Bhd | Malaysia | 100 | 100 | Truck rental, in-house truck repair and maintenance and the provision of other related logistics services |
| Emulsi Teknik Sdn Bhd | Malaysia | 100 | 100 | Truck rental and logistics services |
| Trans-Asia Shipping Pte Ltd (In Liquidation) | Singapore | - | 100 | Customs broking, handling agency and freight forwarding services |
| Maya Kekal Sdn Bhd | Malaysia | 100 | 100 | Trading |
| Precious Fortunes Sdn Bhd | Malaysia | 100 | 100 | Warehousing |
| Titian Pelangi Sdn Bhd | Malaysia | 100 | 100 | Warehousing |
| TASCO Yusen Gold Cold Sdn Bhd | Malaysia | 70 | 70 | Investment holding |
| Meriah Selalu Sdn Bhd | Malaysia | 100 | 100 | Operating container depot and providing services of storing, handling, cleaning and repairing of containers |
| Omega Saujana Sdn Bhd | Malaysia | 51 | 51 | Freight forwarding services |
| Piala Kristal (M) Sdn Bhd | Malaysia | 51 | 51 | Freight forwarding services |

## SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD

| | Country | % 31.03.2021 | % 31.03.2020 | Principal Activities |
|---|---|---|---|---|
| Gold Cold Integrated Logistics Sdn Bhd | Malaysia | 100 | 100 | Transportation, cold room storage facilities, repackaging and value added facilities services |
| Gold Cold Solutions Sdn Bhd | Malaysia | 100 | 100 | Providing logistics services, transportation, warehousing distribution and marketing of goods |
| Gold Cold Transport Sdn Bhd | Malaysia | 100 | 100 | Transportation, provision of cold room facilities, repackaging and value added facilities services |

# SUBSIDIARY AND ASSOCIATED COMPANIES

## SUBSIDIARY COMPANIES (CONT'D)

| | Country | Group Effective Interest % 31.03.2021 | Group Effective Interest % 31.03.2020 | Principal Activities |
|---|---|---|---|---|
| **SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD (CONT'D)** | | | | |
| GC Logistics Sdn Bhd | Malaysia | 100 | 100 | Transportation, cold room storage facilities, repackaging and value added facilities services |
| **JOINT VENTURE COMPANY OF TASCO YUSEN GOLD COLD SDN BHD** | | | | |
| Hypercold Logistics Sdn Bhd | Malaysia | 50 | - | Forwarding, logistics, chilled and frozen storage, transportation of goods and a distributor of all kind of foods |
| **ASSOCIATED COMPANY** | | | | |
| Agate Electro Supplies Sdn Bhd | Malaysia | 50 | 50 | Warehouse rental |
| **JOINT VENTURE COMPANY** | | | | |
| YLTC Sdn Bhd | Malaysia | 40 | 40 | Trading, distribution and logistics business |

# NOTICE OF FORTY-SIXTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Sixth Annual General Meeting ("**AGM**") of TASCO Berhad ("**Company**") will be conducted entirely on a virtual basis at a venue in Malaysia where the Chairman of the meeting is present through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/ on Wednesday, 15 September 2021 at 3.00 p.m. to transact the following businesses: -

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2021 and the Reports of Directors and Auditors thereon. ***Please refer to Explanatory Note A***

2. To approve the payment of the following Directors' remuneration by the Company:

   (a) To approve the payment of Directors' fees of RM300,000 for the period from 16 September 2021 until the next Annual General Meeting of the Company. ***Ordinary Resolution 1***

   (b) To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 16 September 2021 until the next Annual General Meeting of the Company. ***Ordinary Resolution 2***

3. To re-elect the following Directors who retire pursuant to Article 79 of the Company's Constitution: -

   3.1 Datuk Dr. Wong Lai Sum ***Ordinary Resolution 3***
   3.2 Mr. Kwong Hoi Meng ***Ordinary Resolution 4***
   3.3 Mr. Lim Jew Kiat ***Ordinary Resolution 5***

4. To re-appoint Mazars PLT as Auditors of the Company and authorise the Directors to determine their remuneration. ***Ordinary Resolution 6***

5. **PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

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

   "**THAT** Mr. Raippan s/o Yagappan @ Raiappan Peter who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company." ***Ordinary Resolution 7***

   "**THAT** Mr. Raymond Cha Kar Siang who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company." ***Ordinary Resolution 8***

   "**THAT** subject to the passing of the Ordinary Resolution 4 above, Mr. Kwong Hoi Meng who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company." ***Ordinary Resolution 9***

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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

"**THAT** pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 17 August 2021 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company. ***Ordinary Resolution 10***

**AND THAT** such approval shall continue to be in force until: -

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature."

7. **AUTHORITY TO ALLOT SHARES**

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

"**THAT** subject always to the Companies Act 2016 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes that the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being." ***Ordinary Resolution 11***

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

BY ORDER OF THE BOARD

**KANG SHEW MENG (CCM PC 201908002065)**
**SEOW FEI SAN (CCM PC 201908002299)**
**LOH LAI LING (CCM PC 201908002445)**
Secretaries

Petaling Jaya
Dated: 17 August 2021

# NOTICE OF FORTY-SIXTH ANNUAL GENERAL MEETING

**Notes:**

1. As part of the initiative to curb the spread of Covid-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely.

2. With the RPEV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the AGM.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to eservices@sshsb.com.my during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. Only depositors whose name appears in the Record of Depositors as at 8 September 2021 shall be regarded as members and entitled to participate, speak and vote at the AGM.

4. A member entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to participate, speak and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy.

5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM, as follows:

   **(a) In hard copy form**

   The original instrument appointing a proxy ("**Proxy Form**") and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of SS E Solutions Sdn. Bhd., the Poll Administrator for the AGM, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

   **(b) By electronic means**

   The Proxy Form can also be lodged electronically via the Securities Services e-Portal at https://sshsb.net.my/ or email to eservices@sshsb.com.my. Please follow the procedures in the Administrative Guide for the AGM in order to deposit the Proxy Form(s) electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to eservices@sshsb.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolutions set out in the Notice of AGM will be put to vote by way of poll.

# NOTICE OF FORTY-SIXTH ANNUAL GENERAL MEETING

10. Explanatory Notes:

**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.

**Ordinary Resolutions 1 and 2**
**Proposed Payment of Directors' Fees**
**Proposed Payment of Directors' Benefits to Non-Executive Directors**

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 a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Forty-Sixth AGM on the Directors' fees and benefits in two (2) separate resolutions as below: -

- Ordinary Resolution 1 on payment of Directors' fees for the period from 16 September 2021 until the next AGM of the Company; and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 16 September 2021 until the next AGM of the Company.

The Directors' benefits of the Company which is estimated not to exceed RM20,000 is basically the meeting allowances for Board/Board Committee meetings attended/to be attended for period from 16 September 2021 until the conclusion of the next AGM. 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 Independent Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2021.

**Ordinary Resolutions 7 to 9**
**Proposed Retention of Independent Non-Executive Directors**

The Proposed Ordinary Resolutions 7 to 9, if passed, will enable Mr. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang and Mr. Kwong Hoi Meng to continue serving as the Independent Non-Executive Directors of the Company as recommended under Malaysian Code on Corporate Governance ("**MCCG**").

Their term of office as independent directors is calculated based on the listing date of the Company on 28 December 2007.

An assessment of the independence of all Independent Directors was undertaken as part of the Board's assessment in 2021. The Board of Directors has considered the results of the independence assessment of Mr. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang and Mr. Kwong Hoi Meng, which was undertaken pursuant to the guidelines as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MCCG, and are satisfied that they meet the guidelines for independence and their ability to exercise independent judgement. Therefore, the Board recommends that Mr. Raippan s/o Yagappan @ Raiappan Peter, Mr. Raymond Cha Kar Siang and Mr. Kwong Hoi Meng should be retained as the Independent Non-Executive Directors of the Company.

**Ordinary Resolution 10**
**Proposed Shareholders' Mandate for Recurrent Transactions**

The proposed Ordinary Resolution 10, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

**Ordinary Resolution 11**
**Authority to Allot Shares**

At last year's Annual General Meeting, mandate was given to Directors to allot no more than 10% of the issued share capital of the Company. However, the mandate was not utilised and accordingly will lapse at the forthcoming Annual General Meeting. As such, the Board would like to seek for a renewal of the mandate.

The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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(s), if any, for purpose of funding future investment project(s), working capital and/or acquisitions.

**PROXY FORM**

| CDS Account No. |
|---|
| |
| **No. of Shares held** |
| |

**TASCO Berhad**
(Company No. 197401003124 (20218-T))
(Incorporated in Malaysia)

I/We__________________________________________Tel:__________________

*(Full name in block, and as per NRIC/Passport/Company No.)*

of____________________________________________________________

*(Full Address)*

being a member/members of **TASCO BERHAD** hereby appoint:

| Full Name (in Block and as per NRIC/Passport) | NRIC/Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | Contact: | | |
| | Email: | | |

and

| Full Name (in Block and as per NRIC/Passport) | NRIC/Passport No. | Proportion of Shareholdings | |
|---|---|---|---|
| | | No. of Shares | % |
| Address | Contact: | | |
| | Email: | | |

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Forty-Sixth Annual General Meeting ("**AGM**") of TASCO Berhad ("**Company**") will be conducted entirely on a virtual basis at a venue in Malaysia where the Chairman of the meeting is present through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/ on Wednesday, 15 September 2021 at 3.00 p.m. and at any adjournment thereof and to vote as indicated below.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion, as he will on any other matter arising at the Meeting.

| Items | RESOLUTIONS | FOR | AGAINST |
|---|---|---|---|
| 1. | To approve the payment of Directors' fees of RM300,000 for the period from 16 September 2021 until the next Annual General Meeting of the Company. | | |
| 2. | To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM20,000 from 16 September 2021 until the next Annual General Meeting of the Company. | | |
| 3. | To re-elect Datuk Dr. Wong Lai Sum who retire pursuant to Article 79 of the Company's Constitution. | | |
| 4. | To re-elect Mr. Kwong Hoi Meng who retire pursuant to Article 79 of the Company's Constitution. | | |
| 5. | To re-elect Mr. Lim Jew Kiat who retire pursuant to Article 79 of the Company's Constitution. | | |
| 6. | To re-appoint Mazars PLT as Auditors of the Company and authorise the Directors to determine their remuneration. | | |
| **AS SPECIAL BUSINESS** | | | |
| 7. | Proposed Retention of Mr. Raippan s/o Yagappan @ Raiappan Peter as an Independent Non-Executive Director. | | |
| 8. | Proposed Retention of Mr. Raymond Cha Kar Siang as an Independent Non-Executive Director. | | |
| 9. | Proposed Retention of Mr. Kwong Hoi Meng as an Independent Non-Executive Director. | | |
| 10. | Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. | | |
| 11. | Authority to Allot Shares. | | |

Dated:

______________________________
Signature/Common Seal of Shareholder (s)

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**Notes:-**

1. As part of the initiative to curb the spread of Covid-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my/. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely.

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Affix
Stamp

**TASCO BERHAD**
**Registration No. 197401003124 (20218-T)**
C/O SS E SOLUTIONS SDN. BHD.
LEVEL 7, MENARA MILENIUM,
JALAN DAMANLELA,
PUSAT BANDAR DAMANSARA,
DAMANSARA HEIGHTS,
50490 KUALA LUMPUR

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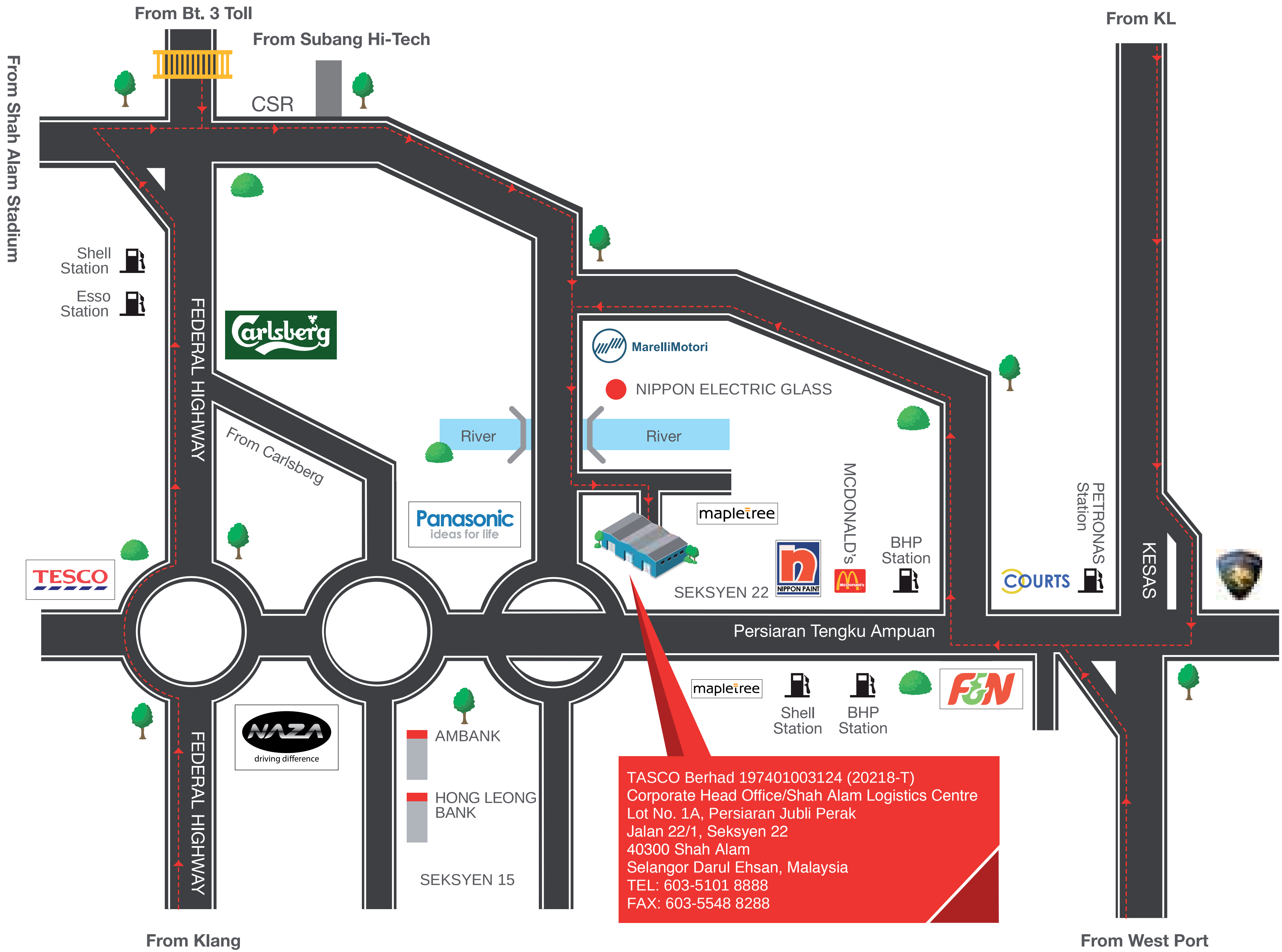

From Bt. 3 Toll
From Subang Hi-Tech
From KL
From Shah Alam Stadium
CSR
Shell Station
Esso Station
FEDERAL HIGHWAY
Carlsberg
From Carlsberg
River
River
Panasonic ideas for life
MarelliMotori
NIPPON ELECTRIC GLASS
mapletree
NIPPON PAINT
MCDONALD's
BHP Station
COURTS
PETRONAS Station
KESAS
SEKSYEN 22
Persiaran Tengku Ampuan
TESCO
NAZA driving difference
AMBANK
HONG LEONG BANK
SEKSYEN 15
mapletree
Shell Station
BHP Station
F&N
FEDERAL HIGHWAY
TASCO Berhad 197401003124 (20218-T)
Corporate Head Office/Shah Alam Logistics Centre
Lot No. 1A, Persiaran Jubli Perak
Jalan 22/1, Seksyen 22
40300 Shah Alam
Selangor Darul Ehsan, Malaysia
TEL: 603-5101 8888
FAX: 603-5548 8288
From Klang
From West Port

**TASCO Berhad** 197401003124 (20218-T)
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