

Registration No.: 197401003124 (20218-T)

**TASCO BERHAD**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**TASCO BERHAD**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS - 31 MARCH 2021**

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**TASCO BERHAD**  
**(Incorporated in Malaysia)**

**CORPORATE INFORMATION**

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

**TASCO BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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 20 and 21.

## 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 -----				At 31.3.2021
	At 1.4.2020	Share split	Bought	Sold	
<b>The Company</b>					
Mr Lee Check Poh - deemed interest <sup>(1)</sup>	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
<b>Subsidiary</b>					
- Omega Saujana Sdn Bhd					
Mr Lee Check Poh - direct interest	49,000	-	-	-	49,000
<b>Subsidiary</b>					
- Piala Kristal (M) Sdn Bhd					
Mr Lee Check Poh - direct interest	49,000	-	-	-	49,000

<sup>(1)</sup> 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
	<hr/> <hr/>

## 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

27 May 2021

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
TASCO BERHAD**

Registration No.: 197401003124 (20218-T)  
(Incorporated in Malaysia)

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**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 14 to 106.

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.

Independent Auditors' Report  
TASCO Berhad  
Registration No.: 197401003124 (20218-T)

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**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

27 May 2021

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**TASCO BERHAD**  
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<i>Note</i>	2021 RM	2020 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
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	11	6,998	-
<b>Total non-current assets</b>		<u>624,350,318</u>	<u>605,532,675</u>
<b>Current assets</b>			
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
<b>Total current assets</b>		<u>336,676,202</u>	<u>343,876,823</u>
<b>TOTAL ASSETS</b>		<u>961,026,520</u>	<u>949,409,498</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
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
<b>Equity attributable to owners of the Company</b>		<u>469,600,040</u>	<u>435,682,202</u>
Non-controlling interests		66,971,960	64,576,642
<b>Total equity</b>		<u>536,572,000</u>	<u>500,258,844</u>



	<i>Note</i>	2021 RM	2020 RM
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<u>254,761,319</u>	<u>278,353,361</u>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<u>169,693,201</u>	<u>170,797,293</u>
<b>Total liabilities</b>		<u>424,454,520</u>	<u>449,150,654</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>961,026,520</u>	<u>949,409,498</u>

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

**TASCO BERHAD**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	<i>Note</i>	2021 RM	2020 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<u>445,752,943</u>	<u>430,113,826</u>
<b>Current assets</b>			
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
<b>Total current assets</b>		<u>293,401,860</u>	<u>315,700,424</u>
<b>TOTAL ASSETS</b>		<u>739,154,803</u>	<u>745,814,250</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	100,801,317	100,801,317
Fair value reserve		(64,999)	(64,999)
Retained earnings		237,475,488	212,008,574
<b>Total equity</b>		<u>338,211,806</u>	<u>312,744,892</u>

	<i>Note</i>	2021 RM	2020 RM
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<u>206,571,846</u>	<u>222,647,752</u>
<b>Current liabilities</b>			
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	-
<b>Total current liabilities</b>		<u>194,371,151</u>	<u>210,421,606</u>
<b>Total liabilities</b>		<u>400,942,997</u>	<u>433,069,358</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>739,154,803</u>	<u>745,814,250</u>

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

**TASCO BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	<i>Note</i>	<b>Group</b> 2021 RM	2020 RM	<b>Company</b> 2021 RM	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): <i>Items that will be reclassified subsequently to profit or loss:</i>					
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

	<i>Note</i>	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
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		<u>43,669,312</u>	<u>9,906,143</u>	<u>33,466,914</u>	<u>7,346,129</u>
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		<u>44,313,156</u>	<u>9,314,919</u>	<u>33,466,914</u>	<u>7,357,070</u>
Basic earnings per share attributable to owners of the Company (sen per share)	31	<u>5.16</u>	<u>1.11</u>		

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

**TASCO BERHAD**  
(Incorporated in Malaysia)

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

	Note	Attributable to owners of the Company					Distributable	Non-controlling interests RM	Total equity RM
		Non distributable			Distributable				
Group		Share capital RM	Revaluation reserve RM	Hedge reserve RM	Exchange translation reserve RM	Fair value reserve RM	Retained earnings RM	Total RM	
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
Total comprehensive income for the year		-	-	10,941	(602,165)	-	8,891,310	8,300,086	1,014,833
Dividends paid	32	-	-	-	-	-	(5,000,000)	(5,000,000)	-
Dividend paid to non-controlling interest of a subsidiary company		-	-	-	-	-	-	-	(1,950,000)
Accretion from issuance of shares by a subsidiary to non-controlling interest		-	-	-	-	-	61,124,897	61,124,897	63,875,103
Balance at 31 March 2020		100,801,317	1,400,591	-	(643,844)	(64,999)	334,189,137	435,682,202	64,576,642
Total comprehensive income for the year		-	-	-	643,844	-	41,273,994	41,917,838	2,395,318
Dividends paid	32	-	-	-	-	-	(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
			</						

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

**TASCO BERHAD**  
(Incorporated in Malaysia)

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

Company	Note	<----- Non distributable ----->				Total equity RM
		Share capital RM	Hedge reserve RM	Fair value reserve RM	Retained earnings RM	
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*

**TASCO BERHAD**  
(Incorporated in Malaysia)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
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



		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
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 from 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
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
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)

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

## Note (a):

Reconciliation of liabilities arising from financing activities

2021 Group	Term loans RM	Hire purchase payables RM	Lease liabilities RM	Amount 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
<i>Cash flows:</i>					
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)
<i>Non-cash changes:</i>					
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

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
<i>Cash flows:</i>						
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)
<i>Non-cash changes:</i>						
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

Note (a):

Reconciliation of liabilities arising from financing activities

2021 Company	Term loans RM	Amounts owing to 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
<i>Cash flows:</i>				
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)
<i>Non-cash changes:</i>				
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

## 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
<i>Cash flows:</i>					
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)
<i>Non-cash changes:</i>					
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*

**TASCO BERHAD**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 1.

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:

		<i>Effective for financial periods beginning on or after</i>
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
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.

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.

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.

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.

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.

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.

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
	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.

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.

(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.

(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.

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.

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.

Effective interest method

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.



**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs 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.

**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.
- (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.

(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.

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.

(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.

**(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:**

- |                 |  |
|-----------------|--|
| <b>Level 1:</b> | <b>Unadjusted quoted prices in active markets (for identical assets or liabilities).</b>   |
| <b>Level 2:</b> | <b>Inputs (other than quoted prices included within Level 1) are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).</b> |
| <b>Level 3:</b> | <b>Valuation techniques that include unobservable inputs (not based on observable market data).</b>  |

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## 5. PROPERTY, PLANT AND EQUIPMENT

Group 2021	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
Cost								
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



Registration No.: 197401003124 (20218-T)

Group 2020	Freehold land and buildings RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fixtures RM	Air conditioners, office renovation and pallets RM	Total RM
Cost								
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

Registration No.: 197401003124 (20218-T)

Company 2021	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
Cost								
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



Company 2020	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
Cost								
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

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	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>305,514,922</u>	<u>292,404,398</u>	<u>239,193,667</u>	<u>243,862,866</u>

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	2020
	RM	RM
Net carrying amount:		
- Freehold land and buildings	<u>71,465,360</u>	<u>72,550,532</u>

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	2020	2021	2020
	RM	RM	RM	RM
<b>Right-of-use assets</b>				
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	<u>40,173,144</u>	<u>22,753,486</u>	<u>33,090,032</u>	<u>15,785,668</u>

	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Accumulated depreciation</b>				
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)	-	-	-
<b>At 31 March</b>	<b>20,648,856</b>	<b>9,677,389</b>	<b>17,305,909</b>	<b>8,039,440</b>
<b>Net carrying amount</b>				
At 31 March	<u>19,524,288</u>	<u>13,076,097</u>	<u>15,784,123</u>	<u>7,746,228</u>
<b>Right-of-use assets at the end of the financial period comprise of:</b>				
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
	<u>19,524,288</u>	<u>13,076,097</u>	<u>15,784,123</u>	<u>7,746,228</u>
<b>Lease liabilities</b>				
- 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
	<u>19,721,937</u>	<u>13,320,281</u>	<u>15,879,906</u>	<u>7,917,406</u>

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 RM	2020 RM
Goodwill on consolidation	<u>81,864,054</u>	<u>81,864,054</u>

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.

Key assumptions used for value-in-use calculation are as follows:

Pre-tax discount rate <sup>(1)</sup>	8% (2020: 8%)
Revenue growth <sup>(2)</sup>	
- within next 1 to 4 years	4% (2020: 5%)
- within next 5 to 10 years	4% (2020: 3%)
Terminal growth rate <sup>(3)</sup>	1% (2020: 1%)

<sup>(1)</sup> The pre-tax discount rate is estimated based on the CGU-specific weighted average cost of capital for the financial year.

<sup>(2)</sup> Revenue growth rate is estimated based on past performance and its expectations of market development.

<sup>(3)</sup> 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
	<u>107,689,939</u>	<u>107,919,939</u>
Less: Impairment losses	-	(230,000)
	<u>107,689,939</u>	<u>107,689,939</u>

Details of the subsidiary companies are as follows:

	Equity interest		Principal place of business	Principal activities
	2021 %	2020 %		
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
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

	Equity interest		Principal place of business	Principal activities
	2021	2020		
	%	%		
<b>Meriah Selalu Sdn Bhd</b>	100	100	Malaysia	Operating container depot and providing services of storing, handling, cleaning and repairing of containers
<b>Subsidiaries of TYGC</b>				
<b>Gold Cold Transport Sdn Bhd</b>	100	100	Malaysia	Transportation, provision of cold room facilities, repackaging and value added facilities services
<b>GC Logistics Sdn Bhd</b>	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
<b>Gold Cold Integrated Logistics Sdn Bhd</b>	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
<b>Gold Cold Solutions Sdn Bhd</b>	100	100	Malaysia	Logistics services, transportation, warehousing, distribution and marketing of goods

*\* Audited by a member firm of Mazars in Singapore  
Derecognised on 27 June 2020*

*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	2020	2021	2020
		%	%	RM	RM	RM	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
						<u>66,971,960</u>	<u>64,576,642</u>

Summarised financial information of the subsidiaries that have material non-controlling interests (amounts before intra-group elimination):

	2021 RM	2020 RM
<b>TYGC</b>		
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	<u>215,856,476</u>	<u>208,816,109</u>
Revenue	127,617,783	117,816,535
Profit for the year	<u>7,040,366</u>	<u>3,317,210</u>
Dividend paid to non-controlling interests	<u>-</u>	<u>(1,950,000)</u>
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	<u>(48,508,322)</u>	<u>62,301,269</u>

## 9. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>3,196,691</u>	<u>3,047,985</u>	<u>3,000,000</u>	<u>3,000,000</u>

The associated company's principal place of business is in Malaysia, is as follows:

	Equity interest		Principal activities
	2021	2020	
	%	%	
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	2020
	RM	RM
Group's share of results	<u>148,706</u>	<u>(166,868)</u>

The summarised financial information of the Group's associated company AESSB as at 31 December is as follows:

	2020	2019
	RM	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	<u>6,393,382</u>	<u>6,095,971</u>
Revenue	-	-
Profit/(Loss) for the year	<u>297,411</u>	<u>(333,735)</u>



The amount owing by associated company comprises:

	Group/Company	
	2021	2020
	RM	RM
Non-trade balances	-	4,800
Non-interest bearing advances	50,000	50,000
	<u>50,000</u>	<u>54,800</u>

The balances are unsecured, receivable on demand and denominated in RM.

#### 10. INVESTMENT IN A JOINT VENTURE

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	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)	-	-
	<u>3,432,220</u>	<u>3,288,980</u>	<u>3,480,000</u>	<u>3,480,000</u>

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		Principal activities
	2021	2020	
	%	%	
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	<u>143,240</u>	<u>(135,192)</u>

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	<u>880,547</u>	<u>522,447</u>
Revenue	103,821,836	96,427,624
Profit/(Loss) for the year	<u>358,100</u>	<u>(337,980)</u>

The amount owing by joint venture comprise:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade accounts	<u>447,272</u>	<u>833,671</u>	<u>132,837</u>	<u>241,176</u>

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	<u>(22,875,202)</u>	<u>(23,954,306)</u>	<u>(9,476,919)</u>	<u>(9,341,996)</u>

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Represented by:				
Deferred tax assets	6,998	-	-	-
Deferred tax liabilities	(22,882,200)	(23,954,306)	(9,476,919)	(9,341,996)
	<u>(22,875,202)</u>	<u>(23,954,306)</u>	<u>(9,476,919)</u>	<u>(9,341,996)</u>

The deferred tax assets/(liabilities) on temporary differences recognised in the financial statements were as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>(22,875,202)</u>	<u>(23,954,306)</u>	<u>(9,476,919)</u>	<u>(9,341,996)</u>

## 12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2021	2020
	RM	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
	<u>31,749,195</u>	<u>96,714,941</u>

	Company 2021 RM	2020 RM
<b>Non-current:</b>		
<b>Advances</b>		
- 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	-
	<u>24,200,330</u>	<u>11,538,734</u>
	<u>55,949,525</u>	<u>108,253,675</u>

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 RM	2020 RM
Trade accounts	13,665,343	10,731,943
Non-trade balance	20,365	-
Non-interest bearing advances	38,301,070	48,093,353
	<u>51,986,778</u>	<u>58,825,296</u>

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)
	<u>169,446,656</u>	<u>114,514,656</u>	<u>137,310,182</u>	<u>89,523,004</u>

The currency exposure profile of the gross trade receivables is as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	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
	<u>171,507,930</u>	<u>116,213,529</u>	<u>138,858,270</u>	<u>90,745,894</u>

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	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>20,784,835</u>	<u>18,658,247</u>	<u>15,094,668</u>	<u>12,342,951</u>

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	2020
	RM	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
	<u>6,761,282</u>	<u>4,102,320</u>

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
	<u>2,663,082</u>	<u>1,588,549</u>

## 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	-
	<u>22,312,990</u>	<u>6,587,604</u>

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
	<u>16,501,689</u>	<u>5,340,283</u>

#### 17. SHORT TERM INVESTMENTS

	Group	
	2021	2020
	RM	RM
<i>Designated at FVTPL</i>		
Unit Trust funds in Malaysia	<u>5,438,139</u>	<u>5,329,513</u>

#### 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
	<u>77,832,946</u>	<u>113,153,309</u>	<u>50,690,706</u>	<u>50,971,991</u>

## 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	<u>800,000,000</u>	<u>100,801,317</u>	<u>200,000,000</u>	<u>100,801,317</u>

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.

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
	<u>478,523</u>	<u>487,332</u>
Non-current:		
Advances		
- interest bearing at 5.46% (2020: 5.46) per annum	4,573,172	4,945,172
	<u>5,051,695</u>	<u>5,432,504</u>

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

	2021 RM	Group 2020 RM
Future instalments payable	-	222,113
- not later than one year	-	11,579
- later than one year but not later than five years	-	-
Total future instalments payable	-	233,692
Unexpired term charges	-	(5,034)
Total outstanding principal	-	228,658
Outstanding principal:		
- not later than one year ( <i>included under current liabilities</i> )	-	(218,485)
- later than one year but not later than five years ( <i>included under non-current liabilities</i> )	-	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: ( <i>included under current liabilities</i> )				
- not later than one year	29,874,727	78,180,944	24,466,663	72,766,664
( <i>included under non-current liabilities</i> )				
- 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.

The details of the bank term loans are as follows:

Principal amount RM	Monthly instalment RM	Commencing date	Interest rate per annum	Group		Company	
				2021 RM	2020 RM	2021 RM	2020 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	2020	2021	2020
	RM	RM	RM	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
	<u>65,669,077</u>	<u>46,760,294</u>	<u>56,855,587</u>	<u>38,078,114</u>

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
	<u>4,447,915</u>	<u>7,044,245</u>	<u>2,998,374</u>	<u>10,277,022</u>

## 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	2020	2021	2020
	RM	RM	RM	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	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>14,396,928</u>	<u>18,347,594</u>	<u>12,667,175</u>	<u>16,056,314</u>

## 30. TAX EXPENSE

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	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)
	<u>16,689,214</u>	<u>8,608,712</u>	<u>13,811,852</u>	<u>6,279,825</u>
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)
	<u>17,020,092</u>	<u>10,691,638</u>	<u>13,838,508</u>	<u>8,746,871</u>

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	2020	2021	2020
	RM	RM	RM	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 previously 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
	<u>17,020,092</u>	<u>10,691,638</u>	<u>13,838,508</u>	<u>8,746,871</u>

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	2020	2021	2020
	RM	RM	RM	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	-	-
	<u>7,033,627</u>	<u>23,592,424</u>	<u>-</u>	<u>-</u>

Pursuant to the relevant tax regulations, the unutilised tax losses will expire as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Without expiry*	-	13,938,788		
Expire in 2026	2,999,698	3,086,648	-	-
Expire in 2027	695,856	695,856	-	-
	<u>3,695,554</u>	<u>17,721,292</u>	<u>-</u>	<u>-</u>

*\*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	2020
	2021	RM
	RM	
Profit attributable to ordinary shareholders	<u>41,273,994</u>	<u>8,891,310</u>
Weighted average number of ordinary shares at the end of the year*	<u>800,000,000</u>	<u>800,000,000</u>
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 RM	2020 RM
<i>In respect of the financial year ended 31 March 2019:</i>		
- Single-tier dividend of 2.50 sen per share	-	5,000,000
<i>In respect of the financial year ended 31 March 2020:</i>		
- Single-tier dividend of 2.00 sen per share	4,000,000	-
<i>In respect of the financial year ended 31 March 2021:</i>		
- Single-tier dividend of 2.00 sen per share	4,000,000	-
	<u>8,000,000</u>	<u>5,000,000</u>

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 RM	2020 RM	2021 RM	2020 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	<u>41,100,888</u>	<u>8,906,592</u>	<u>12,199,240</u>	<u>5,943,102</u>

**34. EMPLOYEE BENEFITS EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Employee benefits expense</b>	<b>135,268,257</b>	<b>132,944,026</b>	<b>73,211,385</b>	<b>76,541,011</b>

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 ---		-- Balance outstanding -	
	Company		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
<i>Transactions with subsidiary companies</i>				
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	<u>53,593,835</u>	<u>62,322,490</u>	<u>51,254,190</u>	<u>104,848,025</u>

	Transaction value			Balance outstanding		
	Group		Company	Group		Company
	2021	2020	2021	2021	2020	2020
	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>						
Related logistic services received and receivable	67,626,934	42,574,884	67,626,934	6,761,282	4,102,320	4,102,320
Related logistic services paid and payable	36,902,162	29,701,121	36,902,162	2,632,524	1,487,588	1,487,588
Management fee paid and payable	9,716,870	10,828,638	9,716,870	-	-	-
IT fees paid and payable	200,837	1,084,335	200,837	30,558	100,961	100,961
<i>Transactions with subsidiary companies of the ultimate holding company</i>						
Related logistic services received and receivable	112,803,102	57,757,514	112,803,102	22,312,990	6,587,604	6,587,604
Related logistic services paid and payable	108,065,958	58,901,741	108,065,958	16,366,244	5,340,283	5,340,283
IT fees paid and payable	2,311,104	-	2,311,104	135,445	-	-
<i>Transaction with associated company</i>						
Accounting fee received and receivable	19,000	17,600	19,000	-	4,800	4,800



	Transaction value			Balance outstanding		
	Group	2020	Company	Group	2020	Company
	2021	2020	2021	2021	2020	2021
	RM	RM	RM	RM	RM	RM
<i>Transaction with joint venture company</i>						
Related logistic services received and receivable	2,713,889	3,108,132	-	447,272	833,671	132,837
						241,176
<i>Transactions with corporate shareholder of subsidiary company</i>						
(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	2020	2021	2020
<i>Directors</i>	RM	RM	RM	RM
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
	<u>5,122,400</u>	<u>4,804,133</u>	<u>5,122,400</u>	<u>4,804,133</u>
<i>Other key management personnel</i>				
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
	<u>5,425,661</u>	<u>4,602,052</u>	<u>3,028,475</u>	<u>2,704,840</u>
Total compensation	<u>10,548,061</u>	<u>9,406,185</u>	<u>8,150,875</u>	<u>7,508,973</u>

## 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 2021 RM
Cash and cash equivalents	44,992
Transfer from exchange fluctuation reserve	779,868
	<u>824,860</u>
Less: cash consideration received	-
Loss on derecognition of subsidiary	<u>824,860</u>

The loss on derecognition of subsidiary is recognised in the profit or loss.

	Group 2021 RM
Net cash outflow arising from derecognition of subsidiary:	
Cash consideration received	-
Cash and cash equivalents disposed of	(44,992)
	<u>(44,992)</u>

## 38. OTHER COMMITMENTS

	Group 2021 RM	2020 RM	Company 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	-	-
	<u>9,713,319</u>	<u>22,469,490</u>	<u>762,933</u>	<u>-</u>

## 39. FINANCIAL INSTRUMENTS

## (a) Classification of financial instruments

	2021 RM	2020 RM
<b>Group</b>		
<b>Financial assets</b>		
<i>Amortised cost</i>		
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
	<u>319,457,955</u>	<u>327,585,272</u>

	2021 RM	2020 RM
<b><i>FVTPL</i></b>		
Short term investments	<u>5,438,139</u>	<u>5,329,513</u>

***FVTOCI***

Other assets – unquoted shares	<u>302,701</u>	<u>302,701</u>
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\* *Excluding prepayments, GST recoverable and deposits paid for the acquisition of property, plant and equipment.*

	2021 RM	2020 RM
<b>Group</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
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
	<u>398,301,774</u>	<u>424,870,954</u>

**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
	<u>313,294,522</u>	<u>322,824,444</u>

	2021 RM	2020 RM
<i>FVTOCI</i>		
Other assets – unquoted shares	302,701	302,701

\* *Excluding prepayments, GST recoverable and deposits paid for the acquisition of property, plant and equipment.*

	2021 RM	2020 RM
<b>Company</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
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
	<u>388,386,861</u>	<u>423,727,362</u>

(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	
	Carrying amount	Fair value	Carrying amount	Fair value
2021	RM	RM	RM	RM
Bank term loans	<u>246,475,977</u>	<u>207,116,697</u>	<u>212,700,003</u>	<u>173,340,723</u>
2020				
Hire purchase payables	228,658	235,404	-	-
Bank term loans	<u>323,350,878</u>	<u>328,607,359</u>	<u>285,466,667</u>	<u>290,723,148</u>

The methods and assumptions used to estimate the fair value of the financial instruments are as follows:

<b>Financial instruments</b>	<b>Fair values determination</b>
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.

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:

<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
<b>Group</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2021</b>			
Other assets - unquoted shares	-	302,701	302,701
Short term investments	-	5,438,139	5,438,139
	-	5,740,840	5,740,840
<b>2020</b>			
Other assets - unquoted shares	-	302,701	302,701
Short term investments	-	5,329,513	5,329,513
	-	5,632,214	5,632,214
<b>Financial assets</b>			
<b>Company</b>			
<b>2021</b>			
Other assets - unquoted shares	-	302,701	302,701
<b>2020</b>			
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.

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	2020	2021	2020
	RM	RM	RM	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
	<u>2,105,024</u>	<u>2,085,456</u>	<u>2,105,024</u>	<u>2,054,309</u>

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.

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.

The following table provides information about the exposure credit risk and ECL for receivables which are trade in nature:

<b>Group</b>	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>31 March 2021</b>			
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
<b>Credit impaired:</b>			
- 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
	=====	=====	=====
<b><u>Included under receivables:</u></b>			
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
	=====	=====	=====
<b>Company</b>			
<b>31 March 2021</b>			
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
<b>Credit impaired:</b>			
- 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
	=====	=====	=====
<b><u>Included under receivables:</u></b>			
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
	=====	=====	=====

Group	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
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
	<u>120,789,771</u>	<u>205,681</u>	<u>120,584,090</u>
Credit impaired:			
- more than 90 days past due	5,987,053	702,113	5,284,940
- individually impaired	960,300	791,079	169,221
	<u>127,737,124</u>	<u>1,698,873</u>	<u>126,038,251</u>
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
	<u>127,737,124</u>	<u>1,698,873</u>	<u>126,038,251</u>
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
	<u>98,758,828</u>	<u>197,269</u>	<u>98,561,559</u>
Credit impaired:			
- more than 90 days past due	5,109,040	249,173	4,859,867
- individually impaired	945,669	776,448	169,221
	<u>104,813,537</u>	<u>1,222,890</u>	<u>103,590,647</u>
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
	<u>104,813,537</u>	<u>1,222,890</u>	<u>103,590,647</u>

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.

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	<u>2,061,274</u>	<u>1,548,088</u>
2020		
At 1 April 2019	996,093	605,760
Additions of allowance for doubtful debts	702,780	617,130
	-----	-----
At 31 March 2020	<u>1,698,873</u>	<u>1,222,890</u>

**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.

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
<b>Group</b>				
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
	<u>168,045,308</u>	<u>137,759,201</u>	<u>105,081,624</u>	<u>410,886,133</u>
Total undiscounted financial liabilities				
Financial guarantee contracts *	<u>12,985,599</u>	<u>-</u>	<u>-</u>	<u>12,985,599</u>
<b>Company</b>				
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
	<u>192,744,422</u>	<u>111,863,496</u>	<u>94,858,559</u>	<u>399,466,477</u>
Total undiscounted financial liabilities				
Financial guarantee contracts *	<u>18,393,663</u>	<u>25,790,146</u>	<u>2,577,764</u>	<u>46,761,573</u>



2020	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>				
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
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total undiscounted financial liabilities	<u>174,613,523</u>	<u>172,573,364</u>	<u>93,967,027</u>	<u>441,153,914</u>
Financial guarantee contracts *	<u>12,412,810</u>	<u>393,641</u>	<u>-</u>	<u>12,806,451</u>
<b>Company</b>				
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
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total undiscounted financial liabilities	<u>214,213,544</u>	<u>144,484,469</u>	<u>78,970,786</u>	<u>437,668,799</u>
Financial guarantee contracts *	<u>18,220,731</u>	<u>26,985,505</u>	<u>5,484,426</u>	<u>50,690,662</u>

\* 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
	<u>469,600,040</u>	<u>435,682,202</u>
Total equity		
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
	<u>271,249,609</u>	<u>342,332,321</u>
Total debt		
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:

<i>Revenue recognised at a point of time</i>	288,599,102	81,420,303	-	117,759,164	86,402,635	574,181,204
<i>Revenue recognised over time</i>	-	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

2021	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
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

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 loss 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:						
<i>Revenue recognised at a point of time</i>	143,679,473	139,488,779	-	95,521,215	77,920,443	456,609,910
<i>Revenue recognised over time</i>	-	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

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 work-from-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 .

**TASCO BERHAD**  
(Incorporated in Malaysia)

**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 14 to 106 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**  
Director



**LEE WAN KAI**  
Director

Kuala Lumpur


27 May 2021

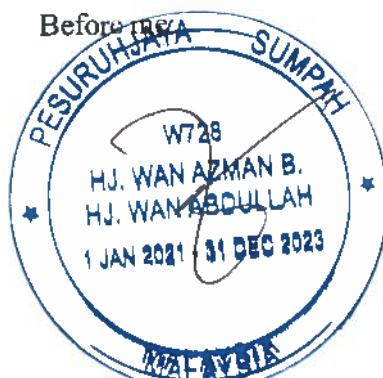
**TASCO BERHAD**  
(Incorporated in Malaysia)

**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 14 to 106 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared  
by the abovenamed  
Tan Kim Yong  
at Kuala Lumpur  
in the Federal Territory  
this 27 May 2021

  
TAN KIM YONG  
Chartered Accountant  
MIA No: 8219



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