

TASCO BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 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 2021.

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 new standard and amendments that have been issued by the MASB but are not yet effective:

		<i>Effective for financial periods beginning on or after</i>
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
MFRS 17	Insurance Contracts	1 January 2023
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

The adoption of the above new standard and 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 2022 is disclosed in note 7 to the financial statements.

(ii) Impairment of trade receivables and contract assets

Management assesses the expected credit losses ("ECL") for trade receivables and contract assets 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 and contract assets.

In determining the ECL, management uses the historical credit loss experience for trade receivables and contract assets 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 and contract assets 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 and contract assets.

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

The carrying amounts of trade receivables and contract assets are 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 2022 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 2022 were RM877,999 and nil (2021: RM504,094 and nil) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2022 were RM25,815,388 and RM13,057,031 (2021: RM26,152,746 and RM12,556,136) 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 and construction work-in-progress are 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	10 - 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 ventures*

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, contract assets 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 and contract assets at an amount equal to their lifetime ECL (i.e. simplified approach). The ECL on trade receivables and contract 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 and warehousing are 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 is recognised in profit or 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.

Contract Balances Arising from Revenue Recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Other income is 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 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 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.

(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 financial 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:

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

5. PROPERTY, PLANT AND EQUIPMENT

Group 2022	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	Construction work-in progress RM	Total RM
Cost									
At 1 April 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
Additions	428,758	2,086,105	610,067	16,771,245	5,778,826	6,750,630	6,740,789	8,961,950	48,128,370
Disposals	-	-	-	(7,935,788)	(689,911)	(291,583)	(6,171)	-	(8,923,453)
Write offs	-	(19,654,652)	-	-	(19,500)	(8,463,706)	(3,458,649)	-	(31,596,507)
At 31 March 2022	132,905,444	200,886,929	145,056,010	121,438,224	70,973,934	37,026,466	63,558,142	8,961,950	780,807,099
Accumulated depreciation									
At 1 April 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
Charge for the financial year	1,945,332	4,517,210	1,954,634	7,220,929	6,120,818	3,387,119	3,810,050	-	28,956,092
Disposals	-	-	-	(7,935,782)	(397,886)	(124,456)	(5,152)	-	(8,463,276)
Write offs	-	(4,604,764)	-	-	(7,150)	(7,979,838)	(2,979,632)	-	(15,571,384)
At 31 March 2022	9,465,961	46,255,213	12,998,364	90,770,438	39,599,049	21,466,286	42,162,947	-	262,718,258
Net carrying amount									
At 31 March 2022	123,439,483	154,631,716	132,057,646	30,667,786	31,374,885	15,560,180	21,395,195	8,961,950	518,088,841

Group 2021	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 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 financial 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

Company 2022	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	Construction work-in progress RM	Total RM
Cost									
At 1 April 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
Additions	-	2,062,135	-	14,368,729	2,979,660	4,902,331	6,016,135	8,961,950	39,290,940
Disposals	-	-	-	(4,641,849)	(222,000)	(521,886)	(6,171)	-	(5,391,906)
Write offs	-	(19,654,652)	-	-	(19,500)	(8,463,706)	(3,458,649)	-	(31,596,507)
At 31 March 2022	3,861,606	142,192,404	114,973,660	115,204,011	19,760,816	29,319,013	59,455,870	8,961,950	493,729,330
Accumulated depreciation									
At 1 April 2021	674,291	26,482,481	9,082,433	84,186,024	16,440,473	23,664,466	40,222,288	-	200,752,456
Charge for the financial year	51,111	3,088,981	1,452,276	6,313,174	465,601	2,336,924	3,443,537	-	17,151,604
Disposals	-	-	-	(4,641,849)	(220,950)	(81,840)	(5,152)	-	(4,949,791)
Write offs	-	(4,604,764)	-	-	(7,150)	(7,979,838)	(2,979,632)	-	(15,571,384)
At 31 March 2022	725,402	24,966,698	10,534,709	85,857,349	16,677,974	17,939,712	40,681,041	-	197,382,885
Net carrying amount									
At 31 March 2022	3,136,204	117,225,706	104,438,951	29,346,662	3,082,842	11,379,301	18,774,829	8,961,950	296,346,445

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 financial 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

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Leasehold buildings	154,631,716	172,112,709	117,225,706	133,302,440
Leasehold land	132,057,646	133,402,213	104,438,951	105,891,227
Acquired via hire purchase arrangements:				
- Motor vehicles	2,139,232	-	-	-
	<u>288,828,594</u>	<u>305,514,922</u>	<u>221,664,657</u>	<u>239,193,667</u>

As of 31 March 2022, the following assets are charged to licensed banks as security for bank term loans, as disclosed in note 24:

	Group	
	2022	2021
	RM	RM
Net carrying amount:		
- Freehold land and buildings	<u>70,535,805</u>	<u>71,465,360</u>

Title deed of a leasehold land with net carrying amount of RM1,784,569 (2021: RM1,803,773) has yet to be issued in or transferred to the name of the Company.

6. LEASES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Right-of-use assets				
Cost				
At 1 April	40,173,144	22,753,486	33,090,032	15,785,668
Additions	24,122,163	17,679,011	3,355,552	17,304,364
Termination of lease contracts	(12,320,502)	(259,353)	(11,560,135)	-
At 31 March	<u>51,974,805</u>	<u>40,173,144</u>	<u>24,885,449</u>	<u>33,090,032</u>

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Accumulated depreciation				
At 1 April	20,648,856	9,677,389	17,305,909	8,039,440
Charge for the financial year	16,242,926	11,071,947	8,059,353	9,266,469
Termination of lease contracts	(11,427,599)	(100,480)	(11,079,350)	-
At 31 March	25,464,183	20,648,856	14,285,912	17,305,909
Net carrying amount				
At 31 March	26,510,622	19,524,288	10,599,537	15,784,123
Right-of-use assets at the end of the financial period comprise of:				
Properties	22,771,786	15,761,808	10,587,140	15,761,808
Motor vehicles	3,726,439	3,740,165	-	-
Plant and machinery	12,397	22,315	12,397	22,315
	26,510,622	19,524,288	10,599,537	15,784,123
Lease liabilities				
- Current	16,375,561	9,017,240	7,579,015	7,018,319
- Non-current	12,177,574	10,704,697	3,294,156	8,861,587
	28,553,135	19,721,937	10,873,171	15,879,906

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 RM19,553,987 (2021: RM10,228,187) and RM22,813,118 (2021: RM14,122,819) 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 RM42,390,103 (2021: RM30,577,703) and RM33,034,248 (2021: RM25,262,095) respectively.

7. GOODWILL

	Group 2022 RM	2021 RM
Goodwill on consolidation	81,864,054	81,864,054

Goodwill arising from the acquisition of Gold Cold Transport Sdn Bhd (“GCT”) is allocated at the date of acquisition, to the cold chain business of GCT as the cash generating unit (“CGU”). The consideration paid for the acquisitions effectively included amounts for anticipated profitability, future market development of the CGU and the benefit of expected synergies to arise after the acquisitions.

For annual impairment testing purposes, the recoverable amount of the CGU has been determined based on its value-in-use calculation, which applies a discounted cash flow model using cash flow projections covering a period of 10 years based on most recent financial budget and projections approved by management. Management is of the opinion that the projection period is justified due to the long term nature of the cold chain business and the CGU’s historical performance. Cash flow projection beyond 10-year period is extrapolated using the estimated growth rate stated below, which is consistent with the long-term average growth rate for the cold chain business industry.

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

Pre-tax discount rate ⁽¹⁾	8% (2021: 8%)
Revenue growth ⁽²⁾	4% (2021: 4%)
Terminal growth rate ⁽³⁾	1% (2021: 1%)

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

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

⁽³⁾ Terminal growth rate is assigned at the end of ten year cash flow projections based on the assumed growth rate in perpetuity.

The directors believe that no reasonably possible changes in any of the key assumption would cause the recoverable amount of the CGU to differ materially from its carrying amount as at 31 March 2022.

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	2022 RM	Company 2021 RM
Unquoted shares, at cost - in Malaysia	107,689,939	107,689,939

Details of the subsidiary companies are as follows:

	Equity interest 2022 %	2021 %	Principal place of business	Principal activities
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental and logistics services
Maya Kekal Sdn Bhd	100	100	Malaysia	Trading and warehousing
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
Meriah Selalu Sdn Bhd	100	100	Malaysia	Operating container depot and providing services of storing, handling, cleaning and repairing of containers

	Equity interest 2022	2021	Principal place of business	Principal activities
	%	%		
Subsidiaries of TYGC				
Gold Cold Transport Sdn Bhd	100	100	Malaysia	Transportation, provision of cold room facilities, repackaging and value added facilities services
GC Logistics Sdn Bhd	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Integrated Logistics Sdn Bhd	100	100	Malaysia	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Solutions Sdn Bhd	100	100	Malaysia	Logistics services, transportation, warehousing, distribution and marketing of goods

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	Principal place of business	Proportion of ownership interests held by non-controlling interests		Profit for the financial year allocated to non-controlling interests		Carrying amount of non-controlling interests	
		2022	2021	2022	2021	2022	2021
		%	%	RM	RM	RM	RM
TYGC	Malaysia	30	30	1,940,108	2,112,110	65,347,051	64,756,943
Other immaterial entities						2,746,110	2,215,017
						<u>68,093,161</u>	<u>66,971,960</u>

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

	2022 RM	2021 RM
TYGC		
Non-current assets	272,783,448	252,727,785
Current assets	66,634,596	71,410,551
Non-current liabilities	(69,612,500)	(44,289,884)
Current liabilities	(51,982,040)	(63,991,976)
Net assets	<u>217,823,504</u>	<u>215,856,476</u>
Revenue	143,412,752	127,617,783
Profit for the financial year	<u>6,467,028</u>	<u>7,040,366</u>
Dividend paid to non-controlling interests	<u>1,350,000</u>	<u>-</u>
Net cash flows from operating activities	19,768,537	33,509,275
Net cash flows used in investing activities	(18,771,968)	(15,167,736)
Net cash flows used in financing activities	(15,708,373)	(66,849,861)
Net changes in cash and cash equivalents	<u>(14,711,804)</u>	<u>(48,508,322)</u>

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>

9. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted shares, at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of results	562,279	196,691	-	-
	<u>3,562,279</u>	<u>3,196,691</u>	<u>3,000,000</u>	<u>3,000,000</u>

Details of the associated company which has principal place of business in Malaysia, is as follows:

	Equity interest		Principal activities
	2022 %	2021 %	
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 financial statements of AESSB for the financial year ended 31 December 2021 have been used.

The Group's share in the results of the associated company, AESSB is as follows:

	2022 RM	2021 RM
Group's share of results	365,588	148,706

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

	2022 RM	2021 RM
Non-current assets	7,474,933	7,917,190
Current assets	1,370,355	425,183
Non-current liabilities	(1,664,955)	(1,664,610)
Current liabilities	(55,775)	(284,380)
Net assets	7,124,558	6,393,383
Revenue	1,504,800	-
Profit for the financial year	731,175	297,411

The amount owing by associated company comprises:

	Group/Company	
	2022	2021
	RM	RM
Non-interest bearing advances	50,000	50,000

The balance is unsecured, receivable on demand and denominated in RM.

The amount owing to associated company comprises:

	Group/Company	
	2022	2021
	RM	RM
Trade account	940,500	-

The trade account is expected to be settled within the normal credit period.

10. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unquoted shares, at cost	10,950,000	400,000	400,000	400,000
Group's share of results	757,444	(47,780)	-	-
	11,707,444	352,220	-	-
Equity contribution	2,400,000	3,080,000	2,400,000	3,080,000
	14,107,444	3,432,220	2,800,000	3,480,000

The Group and the Company deemed interest free advances amounting to RM2,400,000 (2021: 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 ventures, which have principal place of business in Malaysia, are as follows:

	Equity interest		Principal activities
	2022 %	2021 %	
YLTC Sdn Bhd ("YLTC")*	40	40	Trading, distribution and logistics
Held through TYGC			
Hypercold Logistics Sdn Bhd ("Hypercold")*	50	-	Forwarding, logistics, chilled and frozen storage, transportation of goods and a distributor of all kinds of goods

** Audited by an audit firm other than Mazars PLT.*

The joint ventures are accounted for using the equity method in the consolidated financial statements.

The financial year end of YLTC and Hypercold is 31 December. For the purpose of applying the equity method in the Company's consolidated financial statements, the financial statements of YLTC and Hypercold for the financial year ended 31 December 2021 have been used.

The Group's share in the results of joint ventures are as follows:

	YLTC RM	2022 Hypercold RM	Total RM	2021 YLTC RM
Group's share of results	485,283	319,941	805,224	143,240

The summarised financial information of joint ventures are as follows:

	YLTC RM	2022 Hypercold RM	Total RM	2021 YLTC RM
Non-current assets	571,231	11,226,448	11,797,679	418,065
Current assets	25,094,614	4,251,553	29,346,167	19,997,653
Non-current liabilities	(84,129)	(5,087,128)	(5,171,257)	-
Current liabilities	(23,487,960)	(2,078,872)	(25,566,832)	(19,535,169)
Net assets	2,093,756	8,312,001	10,405,757	880,549
Revenue	92,136,307	8,342,156	100,478,463	103,821,836
Profit for the financial year	1,213,207	1,288,790	2,501,997	358,100

Reconciliation of summarised financial information for joint ventures accounted for using the equity method to the carrying amounts of interest in joint ventures are as follows:

	YLTC RM	2022 Hypercold RM	Total RM	2021 YLTC RM
Net assets	2,093,756	8,312,001	10,405,757	880,549
Fair value adjustment	-	2,688,368	2,688,368	-
	2,093,756	11,000,369	13,094,125	880,549
Proportion ownership held by the Group	40%	50%		40%
	837,502	5,500,185	6,337,687	352,220
Goodwill	-	5,369,757	5,369,757	-
The Group's share of net assets of the joint ventures	837,502	10,869,942	11,707,444	352,220
Equity contribution	2,400,000	-	2,400,000	3,080,000
Carrying amount of net investment as at 31 March	3,237,502	10,869,942	14,107,444	3,432,220

The amount owing by joint ventures comprise:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade account	16,219	447,272	619	132,837

The trade accounts 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
At beginning of the financial year	(22,875,202)	(23,954,306)	(9,476,919)	(9,341,996)
Recognised in profit or loss	603,854	1,079,104	(707,230)	(134,923)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
At end of the financial year	(22,271,348)	(22,875,202)	(10,184,149)	(9,476,919)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Represented by:				
Deferred tax assets	323,932	6,998	-	-
Deferred tax liabilities	(22,595,280)	(22,882,200)	(10,184,149)	(9,476,919)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	(22,271,348)	(22,875,202)	(10,184,149)	(9,476,919)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Tax effects of:				
- excess of capital allowances over accumulated depreciation on property, plant and equipment	(18,765,714)	(17,623,519)	(10,983,826)	(9,962,011)
- fair value adjustment arising from acquisition of subsidiaries	(6,289,625)	(7,161,975)	-	-
- allowance for doubtful debts	549,376	456,208	464,709	371,541
- unrealised loss on foreign exchange	269,296	90,563	269,296	90,563
- leases	80,085	37,170	65,672	22,988
- other temporary differences	1,885,234	1,326,351	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	(22,271,348)	(22,875,202)	(10,184,149)	(9,476,919)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2022	2021
	RM	RM
Current:		
Trade accounts	1,936,611	4,446,785
Advances		
- non-interest bearing	28,276,480	25,674,655
- interest bearing at 5.46% (2021: 5.46%) per annum	868,000	868,000
- interest bearing at 3.25% (2021: 3.25%) per annum	528,070	511,205
Interest receivable	229,402	248,550
	<u>31,838,563</u>	<u>31,749,195</u>
Non-current:		
Advances		
- interest bearing at 5.46% (2021: 5.46%) per annum	9,802,734	10,670,735
- interest bearing at 3.25% (2021: 3.25%) per annum	13,001,525	13,529,595
	<u>22,804,259</u>	<u>24,200,330</u>
	<u>54,642,822</u>	<u>55,949,525</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% (2021: 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% (2021: 3.25%) 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	
	2022	2021
	RM	RM
Trade accounts	14,419,461	13,665,343
Non-trade balance	-	20,365
Non-interest bearing advances	41,926,317	38,301,070
	<u>56,345,778</u>	<u>51,986,778</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. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Group	
	2022	2021
	RM	RM
Contract assets		
At beginning of the financial year	-	-
Addition	731,947,081	-
Transfer to trade receivables	(520,067,720)	-
At end of the financial year	<u>211,879,361</u>	<u>-</u>

A contract asset is recognised in respect of the right to consideration for contract logistics services rendered which has not been billed at the reporting date.

	Group	
	2022	2021
	RM	RM
Contract liabilities		
Consideration received in advance:		
At beginning of the financial year	-	-
Consideration received	(1,813,340)	-
Revenue recognised during the financial year	152,591	-
At end of the financial year	<u>(1,660,749)</u>	<u>-</u>

A contract liability is recognised upon collection of transaction price and being recognised as revenue over the contract logistics service period.

14. TRADE RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Gross trade receivables	341,251,578	171,507,930	202,461,082	138,858,270
Allowance for doubtful debts	(2,471,853)	(2,061,274)	(1,936,286)	(1,548,088)
	<u>338,779,725</u>	<u>169,446,656</u>	<u>200,524,796</u>	<u>137,310,182</u>

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
- RM	297,281,972	155,291,605	158,491,476	122,641,945
- US Dollar	43,212,453	15,478,799	43,212,453	15,478,799
- Singapore Dollar	335,540	131,196	335,540	131,196
- Thai Baht	421,613	518,718	421,613	518,718
- Euro	-	87,612	-	87,612
	<u>341,251,578</u>	<u>171,507,930</u>	<u>202,461,082</u>	<u>138,858,270</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.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables	2,798,370	1,844,137	2,373,611	1,306,135
Deposits paid for the acquisition of property, plant and equipment	6,629,460	3,580,183	-	147,000
Deposits	9,931,536	9,879,231	9,344,915	9,480,865
Prepayments	6,031,753	5,481,026	2,925,123	4,160,668
Goods and Services Tax ("GST") recoverable	258	258	-	-
	<u>25,391,377</u>	<u>20,784,835</u>	<u>14,643,649</u>	<u>15,094,668</u>

The other receivables, deposits and prepayments are denominated in RM.

16. 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	
	2022	2021
	RM	RM
- RM	3,398,841	3,074,015
- US Dollar	8,454,441	3,687,034
- Singapore Dollar	988,272	233
	<u>12,841,554</u>	<u>6,761,282</u>

The currency exposure profile of amount owing to immediate holding company is as follows:

	Group/Company	
	2022	2021
	RM	RM
- RM	5,784	-
- Japanese Yen	1,500,448	1,186,072
- US Dollar	1,563,524	1,477,010
	<u>3,069,756</u>	<u>2,663,082</u>

17. 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	
	2022	2021
	RM	RM
- RM	16,444,913	11,891,354
- US Dollar	34,095,029	10,042,384
- Singapore Dollar	118,215	286,680
- Thai Baht	6,992	1,577
- Hong Kong Dollar	7,767	90,995
	<u>50,672,916</u>	<u>22,312,990</u>

The currency exposure profile of amounts owing to related companies is as follows:

	Group/Company	
	2022	2021
	RM	RM
RM	123,482	360,384
Singapore Dollar	4,767,047	1,238,263
US Dollar	13,986,211	12,005,073
Thai Baht	454,525	199,521
Australian Dollar	2,957	3,190
Chinese Yuan Renminbi	618,818	520,591
Euro	703,433	1,254,292
Great Britain Pound	592,803	171,006
Hong Kong Dollar	270,923	343,073
South Korean Won	260,835	113,827
New Taiwan Dollar	6,968	41,561
Others	103,705	250,908
	<u>21,891,707</u>	<u>16,501,689</u>

18. SHORT TERM INVESTMENTS

	Group	
	2022	2021
	RM	RM
<i>Designated at FVTPL</i>		
Unit Trust funds in Malaysia	<u>-</u>	<u>5,438,139</u>

19. FIXED DEPOSITS WITH LICENSED BANKS

In the previous financial year, the effective interest rates of the Group's and of the Company's deposits ranged between 1.30% to 2.05% per annum. All the deposits have maturities of three months or less.

20. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
- RM	70,704,628	37,036,950	24,508,918	9,894,710
- US Dollar	13,230,360	39,162,597	13,230,360	39,162,597
- Singapore Dollar	3,472,586	1,381,130	3,472,586	1,381,130
- Thai Baht	54,508	252,269	54,508	252,269
	<u>87,462,082</u>	<u>77,832,946</u>	<u>41,266,372</u>	<u>50,690,706</u>

21. SHARE CAPITAL

	2022		2021	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
At beginning of the financial year	800,000,000	100,801,317	200,000,000	100,801,317
Issued during the financial year				
- share split	-	-	600,000,000	-
At end of the financial year	<u>800,000,000</u>	<u>100,801,317</u>	<u>800,000,000</u>	<u>100,801,317</u>

In the previous 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.

22. AMOUNT OWING TO CORPORATE SHAREHOLDER OF SUBSIDIARY COMPANY

	Group	
	2022	2021
	RM	RM
Current:		
Advances		
- interest bearing at 5.46% (2021: 5.46%) per annum	372,000	372,000
Interest payable	98,510	106,523
	<u>470,510</u>	<u>478,523</u>
Non-current:		
Advances		
- interest bearing at 5.46% (2021: 5.46) per annum	4,201,172	4,573,172
	<u>4,671,682</u>	<u>5,051,695</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.

23. HIRE PURCHASE PAYABLES

	Group	
	2022	2021
	RM	RM
Future instalments payable		
- not later than one year	808,655	-
- later than one year but not later than five years	1,266,062	-
Total future instalments payable	2,074,717	-
Unexpired term charges	(117,609)	-
Total outstanding principal	1,957,108	-
Outstanding principal:		
- not later than one year <i>(included under current liabilities)</i>	(735,859)	-
- later than one year but not later than five years <i>(included under non-current liabilities)</i>	1,221,249	-

The interest rate of hire purchase payables is at 2.35% (2021: nil) per annum.

The hire purchase payables are denominated in RM.

24. BANK TERM LOANS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
The bank term loans are repayable as follows:				
<i>(included under current liabilities)</i>				
- not later than one year	70,708,064	29,874,727	65,300,000	24,466,663
<i>(included under non-current liabilities)</i>				
- later than one year but not later than five years	105,385,686	123,656,797	84,533,323	97,866,651
- more than five years	41,617,991	92,944,453	38,400,018	90,366,689
	147,003,677	216,601,250	122,933,341	188,233,340
	217,711,741	246,475,977	188,233,341	212,700,003

The bank term loans are denominated in RM.

Bank term loans of the Group amounting to RM29,478,400 (2021: RM33,775,974) 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	
				2022 RM	2021 RM	2022 RM	2021 RM
14,000,000	116,667	29 March 2017	4.88% fixed rate	7,000,000	8,400,000	7,000,000	8,400,000
18,000,000	100,000	20 June 2017	4.93% fixed rate	12,300,000	13,500,000	12,300,000	13,500,000
50,000,000	833,333	07 July 2017	4.86% fixed rate	44,166,670	47,500,001	44,166,670	47,500,001
52,000,000	433,333	07 July 2017	4.99% fixed rate	45,933,338	49,400,002	45,933,338	49,400,002
10,000,000	55,556	17 August 2017	4.985% fixed rate	6,833,333	7,500,000	6,833,333	7,500,000
126,000,000	1,200,000	25 May 2018	5.46% fixed rate	72,000,000	86,400,000	72,000,000	86,400,000
22,000,000	209,912	04 January 2010	BLR – 1.80%	10,005,597	11,665,280	-	-
7,089,000	54,593	01 December 2011	BLR – 2.00%	2,769,590	3,319,563	-	-
12,640,000	97,342	01 December 2011	BLR – 2.00%	7,103,590	8,009,784	-	-
1,500,000	11,522	04 January 2010	BLR – 2.00%	856,528	963,201	-	-
170,880	1,082	01 December 2015	BLR – 2.00%	134,176	141,198	-	-
166,680	1,056	01 December 2015	BLR – 2.00%	130,873	137,724	-	-
167,280	1,060	01 December 2015	BLR – 2.00%	131,344	138,226	-	-
167,880	1,063	01 December 2015	BLR – 2.00%	131,820	138,722	-	-
169,680	1,075	01 December 2015	BLR – 2.00%	133,224	140,208	-	-
170,280	1,079	01 December 2015	BLR – 2.00%	133,700	140,703	-	-
12,000,000	110,086	01 February 2017	BLR – 2.00%	7,947,958	8,981,365	-	-
				217,711,741	246,475,977	188,233,341	212,700,003

25. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
- RM	420,991,111	65,030,463	75,193,723	56,216,973
- Singapore Dollar	8,218	9,921	8,218	9,921
- Thai Baht	16,307	459,484	16,307	459,484
- US Dollar	695,918	44,419	695,918	44,419
- Japanese Yen	-	1,086	-	1,086
- Euro	62,150	123,704	62,150	123,704
	<u>421,773,704</u>	<u>65,669,077</u>	<u>75,976,316</u>	<u>56,855,587</u>

The credit terms extended are ranged between 15 and 60 days.

26. OTHER PAYABLES, DEPOSITS AND ACCRUALS

The other payables, deposits and accruals are denominated in RM.

27. 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.

Information about remaining performance obligations that have original expected durations of one year or less is not disclosed.

28. OTHER INCOME

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Gross dividends from				
-subsidiaries	-	-	3,150,000	-
-unquoted investments	36,600	36,600	36,600	36,600
Interest income	831,691	1,201,064	1,442,617	1,348,755
Fair value gain on short term investments	69,206	108,626	-	-
Gain on disposal of property, plant and equipment	1,167,713	809,323	985,084	281,771
Lease income from land and buildings	22,739	24,806	22,739	24,806
Gain on early termination of lease contracts	31,894	3,835	21,904	-
Sundry income	1,676,779	780,724	786,521	590,575
Government grant (see note (a))	830,970	664,800	-	-
Bad debts recovered	15,998	818,137	15,998	715,867
	<u>4,683,590</u>	<u>4,447,915</u>	<u>6,461,463</u>	<u>2,998,374</u>

Note (a):

During the financial year, the Group received government subsidies of RM830,970 (2021: RM664,800) in relation to the Wage Subsidy Programme under National Economic Recovery Plan initiated by the Government of Malaysia.

29. PROFIT FROM OPERATIONS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	286,736	254,040	120,610	105,206
- review of quarterly financial statements	86,655	68,670	86,655	68,670
- other assurance service	7,500	5,000	7,500	5,000
Allowance for doubtful debts	425,210	362,401	388,198	325,198
Bad debts written off	-	147,213	-	147,213
Depreciation of property, plant and equipment	28,956,092	28,441,764	17,151,604	16,730,551
Depreciation of right-of-use assets	16,242,926	11,071,947	8,059,353	9,266,469
Legal and professional fees	1,144,001	663,350	324,174	380,985
Property, plant and equipment written off	16,025,123	194,208	16,025,123	194,207
Realised loss on foreign exchange	311,074	552,407	311,074	549,979
Unrealised loss on foreign exchange	744,720	2,404,500	744,720	2,404,500
Lease expenses for short-term leases				
- land and buildings	10,841,684	4,826,024	12,186,566	3,034,769
- trucks	11,963,984	11,411,536	8,945,670	10,023,871
- forklifts	3,495,170	2,338,848	3,196,195	2,162,577
- office equipment	397,725	380,995	352,998	338,479
Other investment written off	-	18,000	-	18,000
Loss on disposal of other assets	-	42,000	-	42,000
Loss on derecognition of subsidiary	-	824,860	-	-
	=====	=====	=====	=====

30. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Interest expense on:				
- bank term loans	11,571,426	13,609,057	10,460,936	12,306,640
- hire purchase payables	42,155	5,033	-	-
- lease liabilities	1,325,372	505,653	493,221	360,535
- amount owing to corporate shareholder of subsidiary company	256,874	277,185	-	-
	<u>13,195,827</u>	<u>14,396,928</u>	<u>10,954,157</u>	<u>12,667,175</u>

31. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Malaysian tax based on results for the financial year				
- current	21,394,249	18,285,498	16,187,623	13,977,179
- deferred	(541,660)	(1,596,284)	474,082	(165,327)
	<u>20,852,589</u>	<u>16,689,214</u>	<u>16,661,705</u>	<u>13,811,852</u>
(Over)/Under provision in prior year				
- current	(364,893)	(186,302)	(310,169)	(273,594)
- deferred	(62,194)	517,180	233,148	300,250
	<u>(427,087)</u>	<u>330,878</u>	<u>(77,021)</u>	<u>26,656</u>
	<u>20,425,502</u>	<u>17,020,092</u>	<u>16,584,684</u>	<u>13,838,508</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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Accounting profit (excluding share of results in associated company and joint ventures)	86,975,651	60,397,458	75,444,265	47,305,422
Taxation at applicable statutory tax rate of 24%	20,874,156	14,495,390	18,106,624	11,353,301
Tax effects arising from:				
- non-deductible expenses	4,862,276	3,959,209	2,512,429	2,467,335
- non-taxable income	(1,659,890)	(1,146,694)	(764,784)	(8,784)
Utilisation of previously unrecognised deferred tax benefits	(31,389)	(628,802)	-	-
Effect of different tax rate in another country	-	10,111	-	-
Utilisation of investment tax allowance	(3,192,564)	-	(3,192,564)	-
Under provision in prior year	(427,087)	330,878	(77,021)	26,656
	<u>20,425,502</u>	<u>17,020,092</u>	<u>16,584,684</u>	<u>13,838,508</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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Unutilised tax losses	5,548,524	4,085,122	-	-
Unabsorbed capital allowance	10,169,196	8,779,053	-	-
Temporary differences arose from				
- property, plant and equipment	(9,943,783)	(7,223,722)	-	-
- others	1,336,430	1,600,703	-	-
	<u>7,110,367</u>	<u>7,241,156</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Expiring in year of assessment:				
2025	-	1,306,376	-	-
2026	-	1,676,309	-	-
2027	-	1,102,437	-	-
2028	1,306,376	-	-	-
2029	1,591,832	-	-	-
2030	1,102,437	-	-	-
2032	1,547,879	-	-	-
	<u>5,548,524</u>	<u>4,085,122</u>	<u>-</u>	<u>-</u>

Under the Malaysian Finance Act 2021 which was gazatted on 31 December 2021, the existing time limit for the Group and the Company to carry forward its accumulated unutilised tax losses has been extended for a further 10 years. Accordingly, any accumulated unutilised tax losses brought forward from year of assessment 2018 onwards can be carried forward for 10 consecutive years of assessment (i.e from year of assessments 2019 to 2028 and so on).

The Company obtained approval from Malaysian Investment Development Authority ("MIDA") for the second round of tax incentive to carry out Integrated Logistics Services ("ILS") activities as an expansion project under the P.U. (A) 113 Income Tax (Exemption) (No. 12) Order 2006, Income Tax Act, 1967. The ILS incentive enables the Company to enjoy income tax exemption via Investment Tax Allowance ("ITA") of 60% on qualifying capital expenditure incurred within five years, effective from 29 July 2021 to 28 July 2026. The ITA can be offset against 70% of statutory income for each year of assessment.

32. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The basic earnings per share has been calculated by dividing the Group's profit for the financial year attributable to owners of the Company of RM65,249,760 (2021: RM41,273,994) by the number of ordinary shares issued of 800,000,000 (2021: 800,000,000).

33. DIVIDENDS

	2022 RM	2021 RM
<i>In respect of the financial year ended 31 March 2020:</i>		
- Single-tier dividend of 2.00 sen per ordinary share	-	4,000,000
<i>In respect of the financial year ended 31 March 2021:</i>		
- Single-tier dividend of 2.00 sen per ordinary share	-	4,000,000
- Single-tier dividend of 1.25 sen per ordinary share	10,000,000	-
<i>In respect of the financial year ended 31 March 2022:</i>		
- Single-tier dividend of 1.00 sen per ordinary share	8,000,000	-
	<u>18,000,000</u>	<u>8,000,000</u>

On 17 May 2022, the directors declared a single-tier dividend of 1.5 sen per ordinary share amounting to RM12,000,000 in respect of the financial year ended 31 March 2022.

34. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Aggregate cost of property, plant and equipment acquired (note 5)	48,128,370	40,970,309	39,290,940	12,076,688
Acquisition of property, plant and equipment through hire purchase	(2,266,115)	-	-	-
Unpaid balance included under other payables	(2,981,656)	(857,492)	(2,926,746)	(789,846)
Cash paid in respect of prior year acquisition	857,492	765,398	789,846	765,398
Deposits paid in prior years	(3,580,183)	(3,357,510)	(147,000)	-
Deposits paid in current financial year (note 15)	6,629,460	3,580,183	-	147,000
Total cash paid during the financial year	<u>46,787,368</u>	<u>41,100,888</u>	<u>37,007,040</u>	<u>12,199,240</u>

35. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Employee benefits expense	113,004,728	96,329,803	86,872,483	71,223,412
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Included in the employee benefits expense are EPF contributions amounting to RM7,456,335 (2021: RM6,753,847) for the Group and RM4,986,342 (2021: RM4,498,749) for the Company.

36. 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	
	2022 RM	2021 RM	2022 RM	2021 RM
<i>Transactions with subsidiary companies</i>				
Rental of trucks paid and payable	272,177	305,340	65,820	60,590
Labour charges paid and payable	34,944,780	30,670,334	9,117,643	7,700,973
Rental of premises paid and payables	6,592,907	4,885,326	4,743,285	4,999,080
Handling fees paid and payable	2,905,392	519,716	276,592	357,895
Related logistic services paid and payable	424,854	1,665,763	216,121	546,805
Handling fees received and receivable	643,116	126,718	195,130	66,519
Related logistics services received and receivable	3,286,954	9,846,461	537,733	3,895,598
Rental of trucks received and receivable	1,514,487	2,051,265	334,217	2,600
Interest received and receivable	1,048,166	798,686	229,402	248,550
Labour charges received and receivable	268,225	335,138	42,000	29,744
Rental of premises received and receivable	2,483,153	714,679	827,531	452,324
Sales of property, plant and equipment	60,000	-	-	-
Purchase of property, plant and equipment	-	20,365	-	20,365
Net (advances to)/repayment from subsidiary companies	(1,222,619)	53,593,835	52,476,809	51,254,190

	Transaction value			Balance outstanding		
	Group		Company	Group		Company
	2022	2021	2022	2022	2021	2022
	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>						
Related logistic services received and receivable	100,236,411	67,626,934	100,236,411	12,841,554	6,761,282	6,761,282
Related logistic services paid and payable	45,935,970	36,902,162	45,935,970	3,063,217	2,632,524	2,632,524
Management fee paid and payable	11,372,983	9,716,870	11,372,983	-	-	-
IT fees paid and payable	193,458	200,837	193,458	6,539	30,558	30,558
<i>Transactions with subsidiary companies of the ultimate holding company</i>						
Related logistic services received and receivable	239,486,970	112,803,102	239,486,970	50,672,916	22,312,990	22,312,990
Related logistic services paid and payable	219,832,193	108,065,958	219,832,193	21,705,851	16,366,244	16,366,244
IT fees paid and payable	2,426,764	2,311,104	2,426,764	152,038	135,445	135,445
<i>Transactions with associated company</i>						
Accounting fee received and receivable	-	19,000	-	-	-	-
Rental of premises paid and payables	752,400	188,100	752,400	940,500	-	940,500

	Transaction value -----			Balance outstanding -----		
	Group		Company	Group		Company
	2022	2021	2022	2022	2021	2021
	RM	RM	RM	RM	RM	RM
<i>Transaction with joint venture company</i>						
Related logistic services received and receivable	194,567	2,713,889	23,030	16,219	447,272	132,837
<i>Transactions with corporate shareholder of subsidiary company</i>						
Repayment to corporate shareholder of subsidiary company	(372,000)	(372,000)	-	4,573,172	4,945,172	-
Interest paid and payable	256,874	277,185	-	98,510	106,523	-
<i>Transaction with a company related to significant shareholder and directors</i>						
Rental of premises paid and payable	1,225,230	1,220,632	1,225,230	33,818	33,818	33,818

37. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2022	2021	2022	2021
<i>Directors</i>	RM	RM	RM	RM
Directors' fee	204,000	204,000	204,000	204,000
Short-term employee benefits				
- salary, bonus and allowances	5,012,623	4,420,656	5,012,623	4,420,656
Post-employment benefits				
- EPF	568,874	497,744	568,874	497,744
	<u>5,785,497</u>	<u>5,122,400</u>	<u>5,785,497</u>	<u>5,122,400</u>
<i>Other key management personnel</i>				
Short-term employee benefits				
- salary, bonus and allowances	5,894,627	4,900,692	4,086,708	2,769,209
Post-employment benefits				
- EPF	631,544	524,969	400,648	259,266
	<u>6,526,171</u>	<u>5,425,661</u>	<u>4,487,356</u>	<u>3,028,475</u>
Total compensation	<u>12,311,668</u>	<u>10,548,061</u>	<u>10,272,853</u>	<u>8,150,875</u>

38. OTHER COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Authorised and contracted for:				
- acquisition of property, plant and equipment	6,364,109	9,713,319	3,797,730	762,933
- construction of warehouse building	136,843,292	-	136,843,292	-
	<u>143,207,401</u>	<u>9,713,319</u>	<u>140,641,022</u>	<u>762,933</u>

39. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	2022 RM	2021 RM
Group		
Financial assets		
<i>Amortised cost</i>		
Trade receivables	338,779,725	169,446,656
Other receivables *	12,729,906	11,723,368
Amount owing by immediate holding company	12,841,554	6,761,282
Amounts owing by related companies	50,672,916	22,312,990
Amount owing by associated company	50,000	50,000
Amount owing by a joint venture	16,219	447,272
Fixed deposits with licensed banks	-	33,104,986
Cash and bank balances	87,462,082	77,832,946
	<u>502,552,402</u>	<u>321,679,500</u>
<i>FVTPL</i>		
Short term investments	-	5,438,139
	<u>-</u>	<u>5,438,139</u>
<i>FVTOCI</i>		
Other assets – unquoted shares	340,201	302,701
	<u>340,201</u>	<u>302,701</u>

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

	2022 RM	2021 RM
Group		
Financial liabilities		
<i>Amortised cost</i>		
Trade payables	421,773,704	65,669,077
Other payables, deposits and accruals	60,077,746	42,218,317
Amount owing to immediate holding company	3,069,756	2,663,082
Amounts owing to related companies	21,891,707	16,501,689
Amount owing to associated company	940,500	-
Amount owing to corporate shareholder of subsidiary company	4,671,682	5,051,695
Lease liabilities	28,553,135	19,721,937
Hire purchase payables	1,957,108	-
Bank term loans	217,711,741	246,475,977
	<u>760,647,079</u>	<u>398,301,774</u>

	2022 RM	2021 RM
Company		
Financial assets		
<i>Amortised cost</i>		
Trade receivables	200,524,796	137,310,182
Other receivables *	11,718,526	10,787,000
Amount owing by immediate holding company	12,841,554	6,761,282
Amounts owing by subsidiary companies	54,642,822	55,949,525
Amounts owing by related companies	50,672,916	22,312,990
Amount owing by associated company	50,000	50,000
Amount owing by a joint venture	619	132,837
Fixed deposits with licensed banks	-	29,300,000
Cash and bank balances	41,266,372	50,690,706
	<u>371,717,605</u>	<u>313,294,522</u>
 <i>FVTOCI</i>		
Other assets – unquoted shares	<u>302,701</u>	<u>302,701</u>

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

	2022 RM	2021 RM
Company		
Financial liabilities		
<i>Amortised cost</i>		
Trade payables	75,976,316	56,855,587
Other payables, deposits and accruals	46,543,866	31,799,816
Amount owing to immediate holding company	3,069,756	2,663,082
Amounts owing to subsidiary companies	56,345,778	51,986,778
Amounts owing to related companies	21,891,707	16,501,689
Amount owing to associated company	940,500	-
Lease liabilities	10,873,171	15,879,906
Bank term loans	188,233,341	212,700,003
	<u>403,874,435</u>	<u>388,386,861</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 RM	Fair value RM	Carrying amount RM	Fair value RM
2022				
Bank term loans	217,711,741	169,561,601	188,233,341	140,083,201
	=====	=====	=====	=====
2021				
Bank term loans	246,475,977	207,116,697	212,700,003	173,340,723
	=====	=====	=====	=====

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

Financial instruments	Fair values determination
Other assets - unquoted shares	By reference to adjusted fair value (if any) of the investee company at the reporting date.
Short term investments	By reference to statements of account at the reporting date provided by fund managers.
Borrowings	By reference to the prevailing market interest rates for similar borrowings.

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:

Financial assets	Level 1	Level 2	Total
Group	RM	RM	RM
2022			
Other assets - unquoted shares	-	340,201	340,201
	=====	=====	=====
2021			
Other assets - unquoted shares	-	302,701	302,701
Short term investments	-	5,438,139	5,438,139
	-----	-----	-----
	-	5,740,840	5,740,840
	=====	=====	=====

Financial assets Company 2022	Level 1 RM	Level 2 RM	Total RM
Other assets - unquoted shares	-	302,701	302,701
2021			
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 (2021: nil).

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
US Dollar	3,144,372	2,084,084	3,144,372	2,084,084
Singapore Dollar	5,295	20,940	5,295	20,940
	=====	=====	=====	=====

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 RM112,018 (2021: RM128,349) 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 and contract assets are 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 and contract assets 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 subsidiary companies and corporate guarantees to third parties on behalf of joint venture. The Company monitors the results of the subsidiary companies 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 RM10,150,000 and RM52,628,400 respectively (2021: RM12,550,000 and RM46,325,974).

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 companies 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, RM19.45 million or 6% (2021: RM14.89 million or 9%) of trade receivables is outstanding from a single debtor.

Management has taken reasonable steps to ensure that receivables and contract assets 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 and contract assets. Any receivables and contract assets having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

Receivable and contract assets are written off when there are evidence indicating that there are 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 and contract assets which are trade in nature:

Group	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
31 March 2022			
Not past due	455,697,604	851,397	454,846,207
Less than 30 days past due	102,470,552	132,102	102,338,450
Between 30 and 90 days past due	39,375,318	101,370	39,273,948
	-----	-----	-----
	597,543,474	1,084,869	596,458,605
Credit impaired:			
- more than 90 days past due	18,003,888	947,731	17,056,157
- individually impaired	1,114,266	439,253	675,013
	-----	-----	-----
	616,661,628	2,471,853	614,189,775
	=====	=====	=====
<u>Included under receivables and contract assets:</u>			
Contract assets	211,879,361	-	211,879,361
Trade receivables	341,251,578	2,471,853	338,779,725
Amount owing by immediate holding company	12,841,554	-	12,841,554
Amounts owing by related companies	50,672,916	-	50,672,916
Amount owing by joint venture	16,219	-	16,219
	-----	-----	-----
	616,661,628	2,471,853	614,189,775
	=====	=====	=====
Company			
31 March 2022			
Not past due	146,412,858	478,776	145,934,082
Less than 30 days past due	70,863,582	129,156	70,734,426
Between 30 and 90 days past due	35,448,219	100,312	35,347,907
	-----	-----	-----
	252,724,659	708,244	252,016,415
Credit impaired:			
- more than 90 days past due	14,220,449	930,533	13,289,916
- individually impaired	967,674	297,509	670,165
	-----	-----	-----
	267,912,782	1,936,286	265,976,496
	=====	=====	=====

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
<u>Included under receivables:</u>			
Trade receivables	202,461,082	1,936,286	200,524,796
Amount owing by immediate holding company	12,841,554	-	12,841,554
Amounts owing by subsidiary companies	1,936,611	-	1,936,611
Amounts owing by related companies	50,672,916	-	50,672,916
Amount owing by joint venture	619	-	619
	<u>267,912,782</u>	<u>1,936,286</u>	<u>265,976,496</u>

Group

31 March 2021

Not past due	152,824,033	669,255	152,154,778
Less than 30 days past due	32,807,149	189,991	32,617,158
Between 30 and 90 days past due	11,109,082	249,302	10,859,780
	<u>196,740,264</u>	<u>1,108,548</u>	<u>195,631,716</u>
Credit impaired:			
- more than 90 days past due	3,409,182	634,847	2,774,335
- individually impaired	880,028	317,879	562,149
	<u>201,029,474</u>	<u>2,061,274</u>	<u>198,968,200</u>

Included under receivables:

Trade receivables	171,507,930	2,061,274	169,446,656
Amount owing by immediate holding company	6,761,282	-	6,761,282
Amounts owing by related companies	22,312,990	-	22,312,990
Amount owing by joint venture	447,272	-	447,272
	<u>201,029,474</u>	<u>2,061,274</u>	<u>198,968,200</u>

Company

31 March 2021

Not past due	126,292,074	415,954	125,876,120
Less than 30 days past due	30,652,623	121,485	30,531,138
Between 30 and 90 days past due	11,250,386	180,069	11,070,317
	<u>168,195,083</u>	<u>717,508</u>	<u>167,477,575</u>
Credit impaired:			
- more than 90 days past due	3,437,053	512,701	2,924,352
- individually impaired	880,028	317,879	562,149
	<u>172,512,164</u>	<u>1,548,088</u>	<u>170,964,076</u>

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
<u>Included under receivables:</u>			
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
	<u>172,512,164</u>	<u>1,548,088</u>	<u>170,964,076</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 financial year were:

	Group RM	Company RM
2022		
At 1 April 2021	2,061,274	1,548,088
Additions of allowance for doubtful debts	425,210	388,198
Write off	(14,631)	-
	<u>2,471,853</u>	<u>1,936,286</u>
At 31 March 2022		
2021		
At 1 April 2020	1,698,873	1,222,890
Additions of allowance for doubtful debts	362,401	325,198
	<u>2,061,274</u>	<u>1,548,088</u>
At 31 March 2021		

None of the contract asset at the reporting date is past due. Management does not expect any credit loss based on the then assessment at the reporting date.

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.

2022	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	421,773,704	-	-	421,773,704
Other payables, deposits and accruals	60,077,746	-	-	60,077,746
Amount owing to immediate holding company	3,069,756	-	-	3,069,756
Amounts owing to related companies	21,891,707	-	-	21,891,707
Amount owing to associated company	940,500	-	-	940,500
Amount owing to corporate shareholder of subsidiary company	496,200	1,569,245	2,861,311	4,926,756
Lease liabilities	17,157,305	12,357,434	-	29,514,739
Hire purchase payables	808,655	1,266,062	-	2,074,717
Bank term loans	74,141,649	110,311,362	43,638,439	228,091,450
	<u>600,357,222</u>	<u>125,504,103</u>	<u>46,499,750</u>	<u>772,361,075</u>
Total undiscounted financial liabilities				
Financial guarantee contracts *	<u>10,502,297</u>	<u>-</u>	<u>-</u>	<u>10,502,297</u>
Company				
Trade payables	75,976,316	-	-	75,976,316
Other payables, deposits and accruals	46,543,866	-	-	46,543,866
Amount owing to immediate holding company	3,069,756	-	-	3,069,756
Amounts owing to subsidiary companies	56,345,778	-	-	56,345,778
Amounts owing to related companies	21,891,707	-	-	21,891,707
Amount owing to associated company	940,500	-	-	940,500
Lease liabilities	7,815,567	3,252,694	-	11,068,261
Bank term loans	68,545,876	88,735,233	40,308,773	197,589,882
	<u>281,129,366</u>	<u>91,987,927</u>	<u>40,308,773</u>	<u>413,426,066</u>
Total undiscounted financial liabilities				
Financial guarantee contracts *	<u>29,361,579</u>	<u>20,852,363</u>	<u>3,217,973</u>	<u>53,431,915</u>

2021	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	65,669,077	-	-	65,669,077
Other payables, deposits and accruals	42,218,317	-	-	42,218,317
Amount owing to immediate holding company	2,663,082	-	-	2,663,082
Amounts owing to related companies	16,501,689	-	-	16,501,689
Amount owing to corporate shareholder of subsidiary company	504,650	1,569,245	3,253,622	5,327,517
Lease liabilities	9,209,889	11,075,542	-	20,285,431
Bank term loans	31,278,604	125,114,414	101,828,002	258,221,020
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total undiscounted financial liabilities	168,045,308	137,759,201	105,081,624	410,886,133
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Financial guarantee contracts *	12,985,599	-	-	12,985,599
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Company				
Trade payables	56,855,587	-	-	56,855,587
Other payables, deposits and accruals	31,799,816	-	-	31,799,816
Amount owing to immediate holding company	2,663,082	-	-	2,663,082
Amounts owing to subsidiary companies	51,986,778	-	-	51,986,778
Amounts owing to related companies	16,501,689	-	-	16,501,689
Lease liabilities	7,254,639	9,132,174	-	16,386,813
Bank term loans	25,682,831	102,731,322	94,858,559	223,272,712
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total undiscounted financial liabilities	192,744,422	111,863,496	94,858,559	399,466,477
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Financial guarantee contracts *	18,393,663	25,790,146	2,577,764	46,761,573
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</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 financial year.

The Group's total debt-to-equity ratios at 31 March 2022 and 31 March 2021 were as follows:

	2022 RM	2021 RM
Share capital	100,801,317	100,801,317
Reserves	416,048,483	368,798,723
Total equity	<u>516,849,800</u>	<u>469,600,040</u>
Amount owing to corporate shareholder of subsidiary company	4,671,682	5,051,695
Bank term loans	217,711,741	246,475,977
Lease liabilities	28,553,135	19,721,937
Hire purchase payables	1,957,108	-
Total debt	<u>252,893,666</u>	<u>271,249,609</u>
Total debt to equity ratio (times)	<u>0.49</u>	<u>0.58</u>

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.

2022	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
REVENUE						
External sales	512,656,903	428,579,320	84,619,664	319,708,355	135,848,304	1,481,412,546

Represented by:

<i>Revenue recognised at a point of time</i>	512,656,903	95,067,534	-	319,708,355	88,287,313	1,015,720,105
<i>Revenue recognised over time</i>	-	333,511,786	84,619,664	-	47,560,991	465,692,441
Consolidated revenue	512,656,903	428,579,320	84,619,664	319,708,355	135,848,304	1,481,412,546

2022	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
Segment results	47,671,645	45,526,583	630,801	14,641,912	11,877,755	120,348,696
Unallocated corporate expenses	-	-	-	-	-	(20,177,218)
Profit from operations	-	-	-	-	-	100,171,478
Share of results of associated company and joint ventures	-	-	-	-	-	1,170,812
Finance costs	-	-	-	-	-	(13,195,827)
Profit before tax	-	-	-	-	-	88,146,463
Tax expense	-	-	-	-	-	(20,425,502)
Profit for the financial year	-	-	-	-	-	67,720,961

2022	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	Consolidated RM
Included in operating profit:						
Depreciation of property, plant and equipment	-	-	-	-	-	28,956,092
Depreciation of right-of-use assets	-	-	-	-	-	16,242,926
Allowance for doubtful debts	-	-	-	-	-	425,210
Bad debts recovered	-	-	-	-	-	(15,998)
Gain on disposal of property, plant and equipment	-	-	-	-	-	(1,167,713)
Property, plant and equipment written off	-	-	-	-	-	16,025,123
Fair value gain on short term investments	-	-	-	-	-	(69,206)
Unrealised loss on foreign exchange (net)	-	-	-	-	-	744,720
Gain on early termination of lease contracts	-	-	-	-	-	(31,894)

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 ventures	-	-	-	-	-	291,946
Finance costs	-	-	-	-	-	(14,396,928)
Profit before tax	-	-	-	-	-	60,689,404
Tax expense	-	-	-	-	-	(17,020,092)
Profit for the financial 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
Depreciation 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 assets	-	-	-	-	-	42,000
Loss on derecognition of subsidiary	-	-	-	-	-	824,860

RM156.16 million or 10.5% (2021: RM135.9 million or 14.4%) 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 FINANCIAL YEAR

- (i) 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, 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 has been completed during the financial year.

- (ii) During the current financial year, the Company has started the expansion plan by demolishing an old single-storey warehouse block at Shah Alam Logistics Centre ("SALC"). The demolition has resulted recognition of property, plant and equipment written off of RM16 million in profit or loss. Approximately 180,000 square foot of old single-storey warehouse space was demolished in Phase 1 of the SALC expansion plan in order to rebuild into a modern 4-store warehouse of approximately 650,000 square foot warehouse space, creating a net increase of approximately 470,000 square foot of warehouse space. Phase 1 is expected to be completed by end of year 2023.

44. COVID-19 OUTBREAK

On 11 January 2021, the Government of Malaysia announced the re-imposition of Movement Control Order ("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 is further extended over all states (except Sarawak) from 5 February 2021 to 4 March 2021.

On 25 May 2021, the Government announced nationwide Full Movement Control Order ("FMCO") on all social and economic sectors in Malaysia from 1 June 2021 to 14 June 2021. Under FMCO, only essential economic and social services listed by the National Security Council are allowed to operate. On 15 June 2021, the Government has implemented Phase 1 of the National Recovery Plan ("NRP"). The FMCO under the NRP was extended from 15 June 2021 to 28 June 2021 and this was further extended from 29 June 2021 onwards. Subsequently, the Government had imposed Enhanced MCO ("EMCO") in Selangor's major sub-districts and several Kuala Lumpur localities from 3 July 2021 and subsequently lifted on 16 July 2021. On 1 October 2021, both Selangor and Kuala Lumpur moved from Phase 2 to Phase 3 of the NRP.

Various measures to prevent the spread of the virus such as restricted movement, overseas and interstate travel bans, closure of businesses and education institutions and workfrom-home arrangements have impacted consumer spending power and pattern and brought about significant economic uncertainties in Malaysia.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as its logistics operations were allowed to operate throughout the MCO under the respective guidelines set by the National Security Council and the Ministry of International Trade and Industry.

At the reporting date, the Group and the Company have taken the appropriate steps to re-assess their customers' credit risks and tighten the credit controls in order to mitigate any risk of non-collection due from the Covid-19 outbreak. Additional expected credit losses on receivables was recognised as at 31 March 2022 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 for financial year ending 31 March 2023. 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.

45. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 27 May 2022.

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 13 to 109 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 2022 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 2022

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 13 to 109 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 2022


TAN KIM YONG
Chartered Accountant
MIA No: 8219



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