

# THE SECRETS TO OUR SUCCESS

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

## 10 BASIC CORE FUNDAMENTALS



BUSINESS AT A GLANCE

REVENUE RATIO  
FYE 31.03.2023

REVENUE  
FYE 31.03.2023



**AIR FREIGHT FORWARDING**  
✓ Air Freight Services



**RM485.8 million**



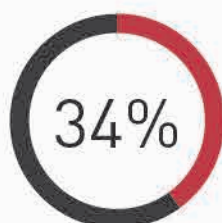
**OCEAN FREIGHT FORWARDING DIVISION**  
✓ Sea Freight Services



**RM287.4 million**



**CONTRACT LOGISTICS DIVISION**  
✓ Customs Clearance  
✓ Haulage Transportation  
✓ Warehousing Services  
✓ Warehouse In-plant Services



**RM545.7 million**



**TRUCKING DIVISION**  
✓ Domestic Trucking  
✓ Cross Border Trucking



**RM101.9 million**



**COLD SUPPLY CHAIN DIVISION**  
✓ Cold Supply Chain  
✓ Convenience Retail



**RM155.3 million**



**SUPPLY CHAIN DIVISION**  
✓ Origin Management  
✓ Lead Logistics  
✓ E-Commerce



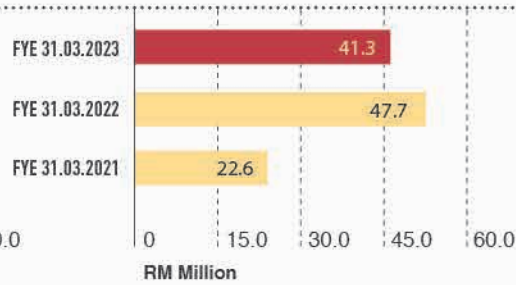
**RM30.8 million**

**BUSINESS AT A GLANCE**

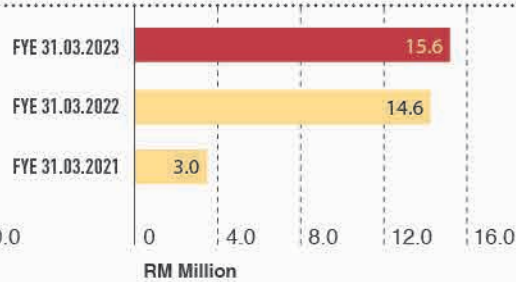
**REVENUE  
(MILLION RM)**

**PROFITS FROM OPERATIONS  
(MILLION RM)**

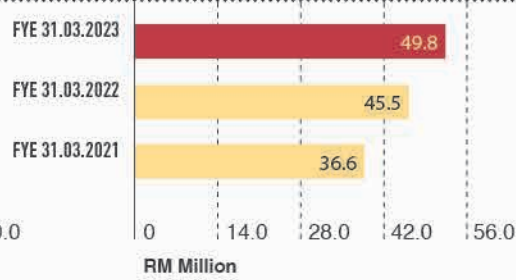
**RESOURCE  
FACILITIES**



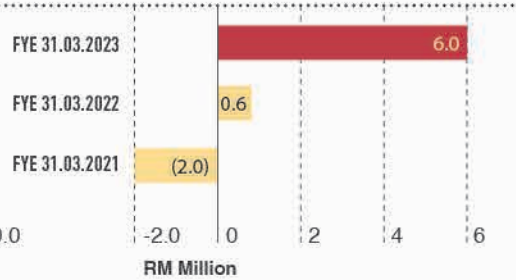
**>500 Units**  
Prime Movers & Trucks



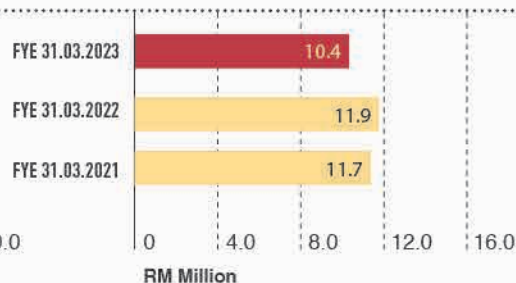
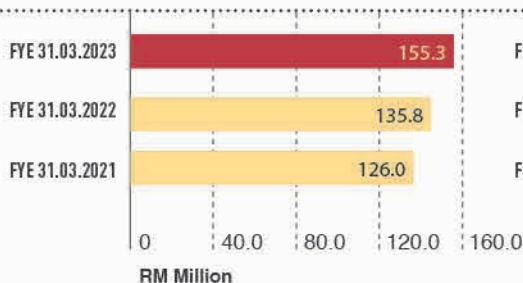
**>300,000 m<sup>2</sup>**  
Warehouse Space



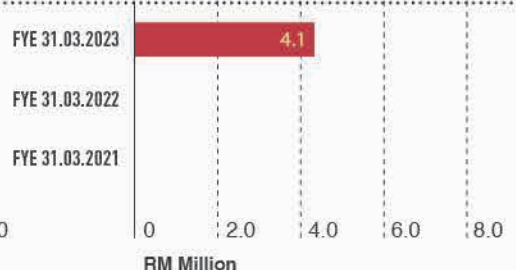
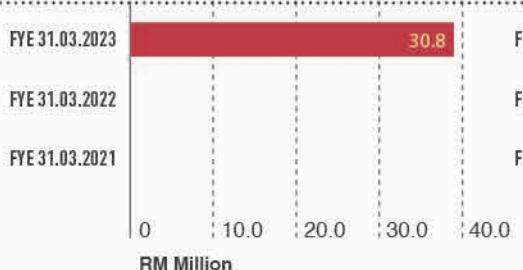
**Domestic: >2,000**  
**Worldwide: >60,000\***  
Employees



**27 Logistics Centres**  
Domestic Network



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



\* Under the global network of NYK Group



## BOARD OF DIRECTORS

### LEE CHECK POH

Non-Independent Executive Chairman

### ANDY LEE WAN KAI

Non-Independent Group  
Chief Executive Officer

### TAN KIM YONG

Non-Independent Deputy Group  
Chief Executive Officer

### FREDDIE LIM JEW KIAT

Non-Independent Executive Director

### NORHIKO YAMADA

Non-Independent Executive Director

### DATUK DR WONG LAI SUM

Independent Non-Executive Director

### ONG HENG KAH

Independent Non-Executive Director  
(Appointed on 29.05.2023)

### DAVID DEV PETER

Independent Non-Executive Director  
(Appointed on 29.05.2023)

## COMPANY SECRETARIES

### KANG SHEW MENG

MAICSA 0778565  
CCM Practising Certificate  
201908002065

### SEOW FEI SAN

MAICSA 7009732  
CCM Practising Certificate  
201908002299

## REGISTERED OFFICE

802, 8th Floor, Block C  
Kelana Square  
17 Jalan SS7/26  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-78031126  
Fax : 03-78061387  
E-mail : eadvisory@epsilonas.com

## REGISTRARS

### SECURITIES SERVICES (HOLDINGS) SDN BHD

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Tel : 03-20849000  
Fax : 03-20949940  
E-mail : info@sshsb.com.my

## AUDITORS

### MAZARS PLT

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

## PRINCIPAL BANKERS

### MALAYAN BANKING BERHAD

### MUFG BANK (MALAYSIA) BERHAD

### MIZUHO BANK (MALAYSIA) BERHAD

## STOCK EXCHANGE

### MAIN MARKET

### BURSA MALAYSIA SECURITIES BERHAD

Sector : Transportation &  
Logistics  
Stock Name : TASCO  
Stock Code : 5140

## WEBSITE

www.tasco.com.my

## AUDIT COMMITTEE

### ONG HENG KAH

Independent Non-Executive Director  
Chairman

### DATUK DR WONG LAI SUM

Independent Non-Executive Director  
Member

### DAVID DEV PETER

Independent Non-Executive Director  
Member

## NOMINATING COMMITTEE

### DATUK DR WONG LAI SUM

Independent Non-Executive Director  
Chairperson

### ONG HENG KAH

Independent Non-Executive Director  
Member

### DAVID DEV PETER

Independent Non-Executive Director  
Member

## REMUNERATION COMMITTEE

### DAVID DEV PETER

Independent Non-Executive Director  
Chairman

### DATUK DR WONG LAI SUM

Independent Non-Executive Director  
Member

### ONG HENG KAH

Independent Non-Executive Director  
Member

**FROM LEFT TO RIGHT**

- |                                 |  |
|---------------------------------|--|
| <b>1. Datuk Dr Wong Lai Sum</b> | Independent Non-Executive Director                   |
| <b>2. Tan Kim Yong</b>          | Non-Independent Deputy Group Chief Executive Officer |
| <b>3. Norihiko Yamada</b>       | Non-Independent Executive Director                   |
| <b>4. Lee Check Poh</b>         | Non-Independent Executive Chairman                   |
| <b>5. Andy Lee Wan Kai</b>      | Non-Independent Group Chief Executive Officer        |
| <b>6. Freddie Lim Jew Kiat</b>  | Non-Independent Executive Director                   |
| <b>7. David Dev Peter</b>       | Independent Non-Executive Director                   |
| <b>8. Ong Heng Kah</b>          | Independent Non-Executive Director                   |

**Note:**

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

PROFILE OF BOARD OF DIRECTORS



Non-Independent  
Executive Chairman

**LEE CHECK POH**

**Date of Appointment**

24 April 1989

**Other Directorship in Public Company**

None

**Qualification**

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

**Experience**

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

**Training**

- Performance Management & Organisation Goal Setting



**PROFILE OF BOARD OF DIRECTORS**

Non-Independent Group Chief Executive Officer

**ANDY LEE WAN KAI**

**Date of Appointment:** 19 August 2013

**Other Directorship in Public Company:** None

**Qualification**

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

**Experience**

- Appointed as Group Chief Executive Officer on 1 April 2020
- Appointed as the Chief Business Development Officer from April 2019 to March 2020
- Appointed as Managing Director of TASCO Yusen Gold Cold Sdn Bhd (a subsidiary of TASCO) from September 2017 to March 2020
- Appointed as Operation Director in charge of Supply Chain Solutions Function from June 2014 to December 2017
- Joined the Group in 2005 and appointed as Corporate Executive Director in 2010
- Prior to his joining the Group, he was practising as a Certified Public Accountant in the audit firms involved in audit engagement, taxation, initial public offering, merger and acquisition projects

**Training**

- Webinar Series – Governance, Risk and Compliance Framework



Non-Independent Deputy Group Chief Executive Officer

**TAN KIM YONG**

**Date of Appointment:** 17 February 2011

**Other Directorship in Public Company:** None

**Qualification**

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

**Experience**

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

**Training**

- Performance Management & Organisation Goal Setting

## PROFILE OF BOARD OF DIRECTORS



Non-Independent  
Executive Director

**Date of Appointment:** 17 February 2011  
**Other Directorship in Public Company:** None

### FREDDIE LIM JEW KIAT



#### Qualification

- Malaysia Certificate of Education

#### Experience

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

#### Training

- Performance Management & Organisation Goal Setting



Non-Independent  
Executive Director

#### Qualification

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

### NORHIKO YAMADA



#### Experience

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

**Date of Appointment:** 1 April 2019  
**Other Directorship in Public Company:** None

#### Training

- Webinar Series – Directors Behaviour and Boardroom Dynamics



**PROFILE OF BOARD OF DIRECTORS**

Independent  
Non-Executive Director

**ONG HENG KAH**

**Date of Appointment:** 29 May 2023

**Other Directorship in Public Company:** None

**Qualification**

- Member of Malaysian Institute of Accountants
- Fellow member of Chartered Certified Accountants
- Member of Chartered Tax Institute of Malaysia
- An Approved Company Auditor

**Experience**

- Appointed as an Independent Director on 29 May 2023 and also the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee
- Became a member of Chartered Accountant of the MIA in 1996, Fellow member of Chartered Certified Accountants in 2000 and a member of Chartered Tax Institute of Malaysia in 2018.
- Became an Approved Company Auditor in 1998 and currently a partner of Leong Yip Ong & Co.

**Training**

-



Independent  
Non-Executive Director

**DAVID DEV PETER**

**Date of Appointment:** 29 May 2023

**Other Directorship in Public Company:** None

**Qualification**

- Master of Law (LLM) (University of London)

**Experience**

- Appointed as an Independent Director on 29 May 2023. He is also the Chairman of the Remuneration Committee, a member of the Audit Committee and Nominating Committee
- Admitted to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1995 and currently a Partner in Messrs Jerald Gomez & Associates

**Training**

- Mandatory Accreditation Programme

## PROFILE OF BOARD OF DIRECTORS



Independent  
Non-Executive Director

### DATUK DR WONG LAI SUM



**Date of Appointment:** 1 March 2019

**Other Directorship in Public Company:**

- SAM Engineering & Equipment (M) Berhad
- Milux Corporation Berhad

**Qualification**

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

**Experience**

- Appointed as an Independent Director in year 2019, Chairperson of Nominating Committee and member of Audit Committee and Remuneration Committee on 29 May 2023.
- Adviser of Faculty of Business and Accountancy in University of Malaya from 2016 to 2021
- Conjoint Professor (Practice) of Faculty of Business in University of Newcastle, Australia from 2016 to 2018
- Associate Professor of Faculty of Business and Research Fellow of TAR University College from 2016 to 2018 and 2018 to 2019 respectively
- Singapore Business Advisory Group of University of Newcastle from 2016 to 2018
- Director of Port Klang Authority from 2016 to 2017
- Economic Adviser to the Minister of Transport, Ministry of Transport Malaysia from 2016 to 2018
- Adviser to the National Export Council and CEO of the Malaysia External Trade Development Corporation from 2015 to 2016 and 2012 to 2015 respectively
- Director of Malaysia Petroleum Resources Council from 2013 to 2015
- Director and Trustee of the Malaysia Furniture Promotion Council from 2012 to 2015
- Director of MyCEB Tourism from 2012 to 2014
- Co-Chairman of Professional Services Development Council, Malaysia from 2012 to 2014

**Training**

- Pemudah Roundtable Discussions – Post-Pandemic Economy, Public Policy and GLCs
- 2022 Board and Audit Committee Priorities
- SC Malaysia’s Audit Oversight Board Conversation with Audit Committees
- Bursa Malaysia Immersive Session: The Board “Agender” Gender Balanced Boardrooms
- Navigating ESG Data into Decisions

**PROFILE OF KEY MANAGEMENT**

Corporate Director  
Finance Group

**CHE WUI CHING****Qualification**

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

**Working Experience**

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



Corporate Director  
Customs Forwarding Group  
and Compliance Group

**MOHD SUFFIAN BIN MOHD SAID****Qualification**

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

**Working Experience**

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



Corporate Director  
Operations

**DORAIRAJ A/L SENGARAM****Qualification**

Bachelor of Business Administration  
(Universiti Utara Malaysia)

**Working Experience**

- Joined the company in 2011 as General Manager
- Appointed as Chief Operating Officer in December 2017
- Appointed as Corporate Director in 2016
- In charge of Operations
- 33 years of logistics experience



Corporate Director  
IT Development Group

**LIOW WEI KUNG****Qualification**

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

**Working Experience**

- Joined the Company in 1991 as Head of Accounts Department in Penang Prai Logistics Centre
- Appointed as Head of Planning and Control in Head Quarter in 1999
- Appointed as Head of IT Division in 2002
- Appointed as the Corporate Director in 2021
- In charge of IT Software Development Group
- 21 years of experience in Software Engineering and Project Management. 12 years of experience in Accounting and Finance



Corporate Director  
Business Development, Japanese  
Account Management Group

**KONG PUI KIN****Qualification**

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

**Working Experience**

- Joined the Company in 2012 as Deputy General Manager
- Appointed as Corporate Director in 2023
- In charge of Japanese Account Management Group
- 17 years of experience in International Freight Forwarding.



Corporate Director  
Quality & Performance  
Improvement Group

**HARIS FAZAIL BIN HAROON****Qualification**

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

**Working Experience**

- Joined the company in 1995 as an Executive
- Appointed as Corporate Director of TASCO in 2011
- In charge of Quality & Performance Improvement Group, Haulage & Trucking Group
- 28 years of working experience in the trucking business

## PROFILE OF KEY MANAGEMENT



Corporate Director  
Northern Region Head

### SUNG BOON LEONG

#### Qualification

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

#### Working Experience

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



Senior General Manager  
Business Development, Non-Japanese  
Account Management Group

### LIM CHIN LEE

#### Qualification

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

#### Working Experience

- Joined the Company in 2000 as an Executive
- Promoted to Senior General Manager in 2021
- In charge of Business Development, Accounts Management Group
- 25 years working experience in total logistics sales



General Manager  
Southern Region Head

### LAWRENCE QUEK HWAI CHOO

#### Qualification

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

#### Working Experience

- Joined the company in 2010 as Manager
- Promoted to General Manager in 2021
- In charge of Southern Region branches
- 35 years of logistics working experience



General Manager  
Business Development, Japanese  
Account Management Group

### TAKAHIKO KAWASE

#### Qualification

Bachelor of Business Administration (Nanzan University, Japan)

#### Working Experience

- Joined the Company in 2023 as a General Manager
- Joined Yusen Logistics Co., Ltd. in 2001
- In charge of Business Development, Japanese Account Management Group
- 22 years of experience in total logistics sales
- Worked for Yusen Japan, Yusen France and Yusen Thailand before being assigned to Malaysia



Corporate Director  
Contract Logistics and Trucking Group  
TASCO Yusen Gold Cold Sdn Bhd  
("TYGC") Group

### TAI KAIN FATT

#### Qualification

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

#### Working Experience

- Joined the company in 2010 as a Manager in Supply Chain Support
- Appointed as Corporate Director of TYGC in 2021
- In charge of Contract Logistics and Trucking Group
- 13 years of experience in logistics industry
- Prior to the above, he practiced as a Chartered Accountant.



Corporate Director  
Finance, Legal & Human Resource Group  
TASCO Yusen Gold Cold Sdn Bhd  
("TYGC") Group

### CHOY WENG HOE

#### Qualification

Master of Business Administration (Charles Sturt University, Australia)  
Chartered Accountant of the Malaysian Institute of Accountants (MIA)

#### Working Experience

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

#### Note :

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

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

**Guidelines**

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

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

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

**BOARD LEADERSHIP AND EFFECTIVENESS****I Board Responsibility****Internal Organisation Structure**

The Board comprises eight (8) members, including three (3) Independent Non-Executive Directors. The Board had also established the following three (3) Board Committees and at management level a Risk Management Committee to assist the Board in carrying out its fiduciary duties. The Board Committees are:

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

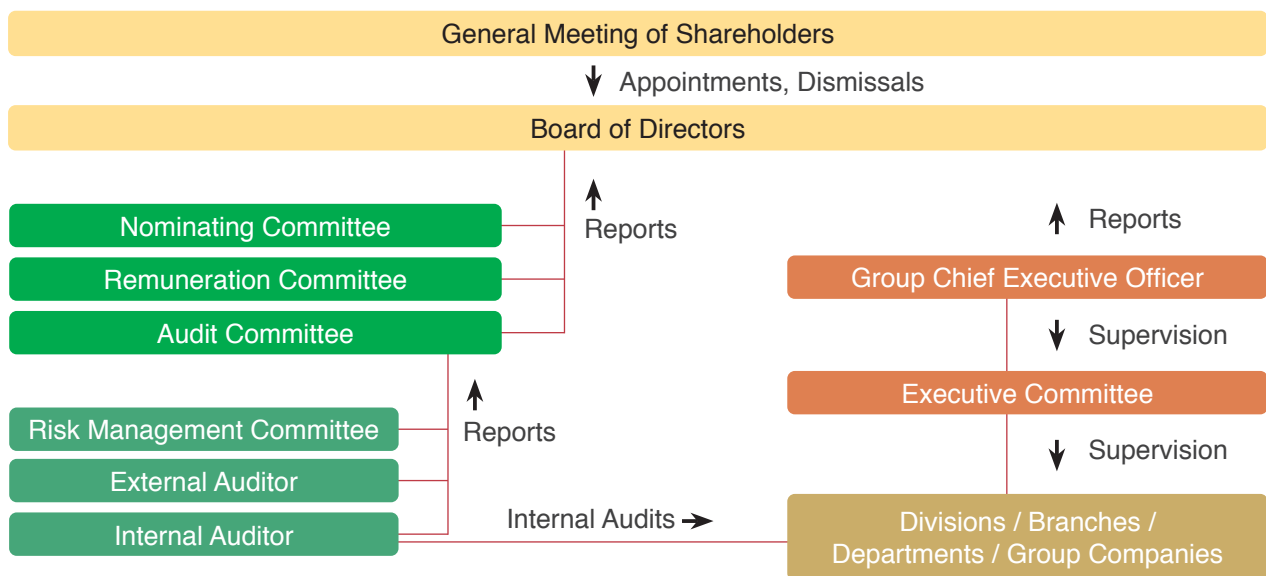
These Board Committees deliberate on particular issues and report their findings and recommendations to the Board. However, the ultimate responsibility for all decisions lies with the entire Board.

The Executive Committee headed by the Group Chief Executive Officer comprises sixteen (16) members including Executive Directors from the Board and senior level staff. The Executive Committee is responsible to discuss matters of particularly critical importance from the prospective of day-to-day management and operation strategies.

The positions of the Chairman and the Group Chief Executive Officer are held by two (2) individuals to promote accountability and facilitates the division of responsibilities between them. There is a clear division of responsibilities between the Chairman and the Group Chief Executive Officer, which will ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and workings of the Board, which includes leading the board in its collective oversight of management. While the Group Chief Executive Officer focuses on the business and day-to-day operations as well as coordinating the development and implementation of business and corporate strategies. The division of responsibilities have clearly defined in the Board Charter.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT



### Board Charter and Directors’ Code of Conduct and Ethics

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board’s strategic intent as well as relevant standards of corporate governance. The Board Charter was last reviewed on 28 April 2022.

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

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

### Corporate Compliance Policy and Whistleblowing Policy and Procedure

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

During the financial year, there were no complaints received.

The Corporate Compliance Policy and Whistleblowing Policy and Procedure are made available for reference in the Company’s website at [www.tasco.com.my](http://www.tasco.com.my).

### Succession Planning

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### **The Chairman of the board should not be a member of the Audit Committee, Nominating Committee and Remuneration Committee**

To avoid the impairment of the objectivity of the Chairman and the board when deliberating on the observations and recommendations put forth by the board committees, the Chairman of the board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee to ensure there is check and balance as well as objective review by the board.

### **Qualified Company Secretaries**

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

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

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

### **Board meeting**

The Board convenes at least four (4) scheduled Board meetings during each financial year. More meetings will be scheduled depending on business requirements, where appropriate. During the financial year, a total of five (5) Board meetings were held.

The Chairman has structured with a pre-set agenda for the Board meeting and adequate time was allocated for discussion of issues tabled to the board for deliberation. The agenda and the Board papers are circulated to Directors 7 days in advance to enable the Directors to effectively discharge their responsibilities. Any additional information requested by Directors is readily available will be provided in a timely manner. Reports on the performance of the Group are also circulated to the Directors for their perusal and comments. The Board also has a formal schedule of matters reserved to it for deliberation and decision such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

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

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

All the deliberations and decisions of the Board meetings have been accurately reflected in the minutes including any dissenting views and if any director had abstained from voting or deliberating on a particular matter. The minutes will be circulated in a timely manner, and the Chairman signed the minutes upon confirmation by the Board of Directors and Board Committees at the next meeting.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

### Sustainability

The Board together with the management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets. The Board recognised that an effective board leadership and oversight require the integration of sustainability considerations in corporate strategy, governance and decision-making, as sustainability and its underlying environment, social as well as governance ("ESG") issues have become increasingly material to the ability of companies to create durable and sustainable value and maintain confidence of our stakeholder. The Company has formally adopted a Sustainability Policy to provide a series of guidance to take proactive actions and effectively measures to anticipate and address material ESG risks and opportunities. The Sustainability Policy is available in the Company's website at [www.tasco.com.my](http://www.tasco.com.my).

The Board together with the management have set out the long-term strategy, and a clear plan on sustainability including supporting the global transition to a net-zero economy. Please refer to our Sustainability Statement from pages 26 to 82.

The Board have identified a designated person within the management, to provide dedicated focus to manage sustainability strategically, including the integrated of sustainability considerations in the operations of the company.

## II. Composition of the Board

The Board comprises the following members and the details of attendance of each member at the Board meetings held during the financial year ended 31 March 2023 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	5/5
Lee Wan Kai (Group Chief Executive Officer)	Executive	No	5/5
Tan Kim Yong (Group Deputy Chief Executive Officer)	Executive	No	5/5
Lim Jew Kiat	Executive	No	5/5
Norihiko Yamada	Executive	No	5/5
Raymond Cha Kar Siang Resigned on 29.05.2023	Non-Executive	Yes	5/5
Kwong Hoi Meng Resigned on 29.05.2023	Non-Executive	Yes	5/5
Raippan s/o Yagappan @ Raiappan Peter Resigned on 29.05.2023	Non-Executive	Yes	5/5
Datuk Dr Wong Lai Sum	Non-Executive	Yes	5/5
David Dev Peter Appointed on 29.05.2023	Non-Executive	Yes	0/0
Ong Heng Kah Appointed on 29.05.2023	Non-Executive	Yes	0/0



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

The Board's composition complies with the LR that requires at least 1/3 of the Board to comprise Independent Non-Executive Directors. However, it is not in line with Practice 5.2 of the Code where it requires at least half of the Board members comprises independent directors. Necessary steps will be taken to meet the requirements of the Code as mentioned above. The appointment of Datuk Dr Wong Lai Sum as our Independent Non-Executive Director in March 2019 has brought us one step closer to the observance of Practice 5.9 of the Code.

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

### **Tenure of Independent Directors**

Bursa Malaysia has amended the LRs to set a limit where all long-serving independent directors of more than 12 years must resign or be re-designated as a non-independent non-executive directors. The Independent Directors of the Company who have served for a cumulative term of more than twelve (12) years are Mr. Kwong Hoi Meng, Mr. Raymond Cha Kar Siang and Mr. Raippan s/o Yagappan @ Raiappan Peter. In compliance with the amended LRs, Mr. Kwong Hoi Meng, Mr. Raymond Cha Kar Siang and Mr. Raippan s/o Yapappan @ Raiappan Peter have resigned as Independent Non-Executive Directors on 29 May 2023.

### **Appointment and Re-election of Directors**

The Company has in place a nomination process to appoint new directors and a Fit and Proper Policy has also been adopted on 30 June 2022.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Upon receipt of the proposal, the Nominating Committee is responsible to conduct an assessment and evaluation on the proposed candidate according to the Fit and Proper Policy. Apart from the guidance in accordance to the Fit and Proper Policy, the assessment/evaluation process may also include, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae, candidate's qualifications as well as formal or informal interview at the Nominating Committee's discretion.

In discharging its duty, the Nominating Committee will assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, age, cultural background, gender, strength of qualities and competency and understanding of the business environment. The Nominating Committee will also further consider on the time that the candidate able to devote to serve the Board effectively.

The Company has a gender diversity policy in place, whereas the gender diversity policy required that in any list of proposed candidates to the Board and/or Senior Management shall consist of at least one (1) woman candidate, wherever reasonably possible during the selection process. The Nominating Committee and the Board are responsible in ensuring that gender diversity objectives are adopted in board and senior management recruitment, board and senior management performance evaluation and succession planning processes respectively. The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board and Senior Management. A female director has been appointed since 1 March 2019. There is one (1) female member in the Executive Committee of the Board, which is equivalent to 6.25%.

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

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

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

### Nominating Committee

The Nominating Committee was set up on 6 December 2007 and the terms of reference of the Nominating Committee and the nomination and election process of directors are made available for reference in the Company's website at [www.tasco.com.my](http://www.tasco.com.my). The terms of reference of Nominating Committee was last reviewed on 28 April 2022. The terms of reference can be obtained from the Company's website at [www.tasco.com.my](http://www.tasco.com.my).

**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

The Nominating Committee comprises the following members and the details of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 March 2023 are as follows:

<b>Name</b>	<b>Status of Directorship</b>	<b>Independent</b>	<b>Meeting Attended</b>
Datuk Dr Wong Lai Sum (Chairperson) Appointed on 29.05.2023	Non-Executive	Yes	0/0
Ong Heng Kah Appointed on 29.05.2023	Non-Executive	Yes	0/0
David Dev Peter Appointed on 29.05.2023	Non-Executive	Yes	0/0
Raymond Cha Kar Siang (Chairman) Resigned on 29.05.2023	Non-Executive	Yes	1/1
Kwong Hoi Meng Resigned on 29.05.2023	Non-Executive	Yes	1/1
Raippan s/o Yagappan @ Raiappan Peter Resigned on 29.05.2023	Non-Executive	Yes	1/1

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

**a) Annual Assessment of Existing Directors**

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

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

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

**b) Assessment on Independence of Directors**

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### c) Assessment on Audit Committee as a whole and the performance of the individual Audit Committee member

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

The former members of Nominating Committee have reviewed and recommended to the Board the re-election of Directors who retire in accordance with the Company's Constitution.

They have also assessed the suitability of new Independent Director candidates to be appointed post financial year in place of the outgoing Independent Director.

### Directors' Training

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

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

#### No. Programme

- 1 Performance Management & Organisation Goal Setting
- 2 Webinar Series : Directors Behaviour and Boardroom Dynamics
- 3 Webinar Series : Governance, Risk and Compliance Framework
- 4 Commodity Murabahah 101 (Islamic Banking Law)
- 5 MIA Webinar Series : MFRS/IFRS Technical Update 2022
- 6 Webinar Series : Risk Management
- 7 2022 Board and Audit Committee Priorities
- 8 Securities Commission's Audit Oversight Board Conversation with Audit Committee
- 9 Bursa Malaysia Immersive Session : The Board "Agender" Gender Balanced Boardrooms
- 10 Sustainability Reporting Latest Development
- 11 Navigating ESG Data into Decisions

For new Directors, a familiarisation programme has been conducted for them. This includes a presentation of the Group's operations, meetings with senior management and site visits, where appropriate, to facilitate their understanding of the Group.

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****III Remuneration Committee**

The Remuneration Committee comprises the following members and the details of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 March 2023 are as follows:

<b>Name</b>	<b>Status of Directorship</b>	<b>Independent</b>	<b>Meeting Attended</b>
David Dev Peter (Chairman) Appointed on 29.05.2023	Non-Executive	Yes	0/0
Datuk Dr Wong Lai Sum Appointed on 29.05.2023	Non-Executive	Yes	0/0
Ong Heng Kah Appointed on 29.05.2023	Non-Executive	Yes	0/0
Raippan s/o Yagappan @ Raiappan Peter (Chairman) Resigned on 29.05.2023	Non-Executive	Yes	1/1
Raymond Cha Kar Siang Resigned on 29.05.2023	Non-Executive	Yes	1/1
Kwong Hoi Meng Resigned on 29.05.2023	Non-Executive	Yes	1/1

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

The terms of reference of the Remuneration Committee was last reviewed by the Board on 28 April 2022 and it complies with the recommendations of the Code. The terms of reference can be obtained from the Company's website at [www.tasco.com.my](http://www.tasco.com.my).

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

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

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM300,000 for the period from 8 September 2023 until the next AGM. In addition, shareholders' approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM30,000 from 8 September 2023 until the next AGM of the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details of the remuneration of Directors of the Company and Group for the financial year ended 31 March 2023 by category and in the band of RM50,000 are as follows:

### Received from the Company

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,001 to RM100,000	-	1
RM250,001 to RM300,000	1	-
RM1,350,001 to RM1,400,000	1	-
RM1,400,001 to RM1,450,000	2	-
RM2,100,001 to RM2,150,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	-	6,388,536	6,388,536
Non-Executive Directors	204,000	-	204,000

### Received from the Group

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,001 to RM100,000	-	1
RM250,001 to RM300,000	1	-
RM1,350,001 to RM1,400,000	1	-
RM1,400,001 to RM1,450,000	2	-
RM2,100,001 to RM2,150,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	-	6,388,536	6,388,536
Non-Executive Directors	204,000	-	204,000

The details of the remuneration of Key Management of the Company and Group for the financial year ended 31 March 2023 by category and in the band of RM50,000 are as follows:

Range of Remuneration	Group	Company
RM20,000 to RM70,000	1	1
RM250,001 to RM300,000	2	1
RM300,001 to RM350,000	1	1
RM350,001 to RM400,000	2	1
RM400,001 to RM450,000	2	1
RM450,001 to RM500,000	1	1
RM550,001 to RM600,000	1	-
RM700,001 to RM750,000	1	1
RM750,001 to RM800,000	1	1
RM850,001 to RM900,000	1	1
RM900,001 to RM950,000	1	1

Summary of activities of Remuneration Committee:

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****EFFECTIVE AUDIT AND RISK MANAGEMENT****I Audit Committee**

The Audit Committee is responsible to assist the Board to review the adequacy and integrity of the Group's internal control systems and all financial statements before their submission to the Board for approval. The terms of reference of Audit Committee was last reviewed on 28 April 2022 and is available in the Company's website.

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

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

The Board has maintained a professional and transparent relationship with the Group's auditors, both external and internal. The Audit Committee seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors in ensuring compliance with the applicable accounting standards in Malaysia. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

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

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

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

Approval by the Audit Committee is required before any non-audit services are rendered by the external auditor and its affiliates by taking into account the nature and extent of the non-audit services and the appropriateness of the level of fees.

The Board at its meeting held on 2 February 2023 accepted the Audit Committee's recommendation and was satisfied with Mazars PLT's suitability and audit independence thus agreed to put forward a resolution on their appointment to the shareholders for approval at the forthcoming AGM.

For the financial year ended 31 March 2023, statutory audit fees incurred by the Company and on Group basis is RM176,578 and RM393,168 respectively.

The non-audit fees incurred for services rendered for the Company and the Group by the external auditors for the financial year ended 31 March 2023 is RM5,300.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group’s financial position and prospect. The Board is also required by the Act to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A statement by the Board of its responsibilities for preparing the financial statements is set out on page 109 of this Annual Report.

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

### II. Risk Management and Internal Control Framework

The Board recognizes the importance of a sound system of internal control for the Group including risk assessment and acknowledges its ultimate responsibilities in maintaining the same.

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

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

Risk Tabulation Table			
LIKEHOOD	High		
	Medium		
	Low		
		Minor	Moderate
IMPACT			

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

#### Internal Control System

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

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

#### Internal Audit Function

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



**CORPORATE GOVERNANCE OVERVIEW STATEMENT**

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

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

During the financial year, the Internal Auditor conducted audit in the areas of Payment, Financial Management and Financial Accounting, Occupational Health, Safety and Security, Information Technology Management and Sales.

They also conducted Follow-up Audit to ensure the relevant action plans have been carried out for operations efficiency. During which, the Internal Auditor also tabled the Audit Planning Memorandum in respect of the financial year ending 31 March 2024 to the Audit Committee for approval.

The Group incurred RM57,240 for internal audit costs during the financial year ended 31 March 2023.

The Statement of Risk Management and Internal Control, set out on pages 113 to 114 of this Annual Report, which has been reviewed by external auditors, provide an overview of the state of internal controls within the Group. Further information on the internal audit function and its activities are set out on page 114 of this Annual Report.

**INTEGRITY IN CORPORATE REPORTING AND MENINGFUL RELATIONSHIP WITH STAKEHOLDERS****III. Communicate with Stakeholders**

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

- a) Annual Report;
- b) Circular to Shareholders; and
- c) Company's website at [www.tasco.com.my](http://www.tasco.com.my)

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

**Mr. Lee Wan Kai****(Group Chief Executive Officer)**

Telephone number : 03-51018888  
 Fax number : 03-55488288  
 Email address : [andy.lee@tasco.com.my](mailto:andy.lee@tasco.com.my)

**Mr. Tan Kim Yong****(Deputy Group Chief Executive Officer)**

Telephone number : 03-51018888  
 Fax number : 03-55488288  
 Email address : [ky.tan@tasco.com.my](mailto:ky.tan@tasco.com.my)

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board actively engages with the relevant stakeholders ie. employees, shareholders, potential investors, authorities as well as customers to gain a better understanding of the expectations and concerns of stakeholders and the company's impact on them. The Company holds briefing sessions for fund managers, investment analysts, potential investors and the media in conjunction with the announcement of quarterly results, yearly financial results to Bursa Malaysia and AGM.

The Company's annual report is uploaded to the Company's website and hardcopy is available upon request. By making various announcements through Bursa Malaysia in particular the timely release of the quarterly results, members of the public can also obtain the full financial results and the announcements from the Bursa Malaysia's website as well as Company's website.

### IV. Conduct of General Meeting

The Board encourages shareholders' active participation at the Company's Annual General Meeting ("AGM") general meetings, shareholders should exercise their rights to ask questions, provide views and vote at general meetings. General meetings are important platforms for directors and senior management to engage shareholders to facilitate greater understanding of the company's business, governance and performance. General meetings enable and support shareholders in exercising their ownership rights and expressing their views to the board and senior management on any areas of concerns.

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

Amidst the pandemic, the Company conducted the recent years' general meetings in a virtual manner, which leveraging technology to facilitate greater shareholder participation, electronic voting and remote shareholder participation. The Board endeavored to ensure the virtual meetings supported meaningful engagement between the board, senior management and shareholders. The minutes of the AGMs are made available in the company's website within 30 business days after the AGMs.

The Board takes note that all the resolutions tabled to vote in the general meetings have to be decided by way of poll and the detailed results shall be included in the announcements to Bursa Malaysia on the same day of the general meetings.

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

### Compliance Statement

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

**CORPORATE GOVERNANCE OVERVIEW STATEMENT****STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS**

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

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

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

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

## AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 March 2023.

### COMPOSITION AND ATTENDANCE

The composition of the Audit Committee (“AC”) as at the date of this report is as follows:

Name	Status of Directorship	Independent	Meeting Attended
Ong Heng Kah (Chairman) Appointed on 29.05.2023	Non-Executive	Yes	0/0
Datuk Dr Wong Lai Sum Appointed on 29.05.2023	Non-Executive	Yes	0/0
David Dev Peter Appointed on 29.05.2023	Non-Executive	Yes	0/0
Kwong Hoi Meng (Chairman) Resigned on 29.05.2023	Non-Executive	Yes	4/4
Raymond Cha Kar Siang Resigned on 29.05.2023	Non-Executive	Yes	4/4
Raippan s/o Yagappan @ Raiappan Peter Resigned on 29.05.2023	Non-Executive	Yes	4/4

The AC has three (3) members, all of whom are Independent Directors. This meets the requirement of Practice 9.4 of the Code where the AC consists solely of independent directors. The AC Chairman is not the Chairman of the Board in accordance to Practice 9.1 of the Code.

The AC Chairman, Mr Ong Heng Kah who is elected among the AC members, is a member of the Malaysian Institute of Accountants and Association of Chartered Certified Accountants which complies with paragraph 15.09(1)(c )(i) of the LR.

### AUTHORITY

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

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

The full terms of reference of the AC can be viewed at the Company’s website at [www.tasco.com.my](http://www.tasco.com.my).

**AUDIT COMMITTEE REPORT****MEETINGS**

The AC met four (4) times during the financial year ended 31 March 2023 with full attendance by Mr. Kwong Hoi Meng (Chairman), Mr. Raymond Cha Kar Siang and Mr. Raippan s/o Yagappan @ Raiappan Peter, all of whom have resigned on 29 May 2023.

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

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

**INTERNAL AUDIT FUNCTION**

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

On annual basis, the Internal Auditors presented their audit plan to the AC for review and approval. The audit findings and report are presented to the AC members at all the AC meetings held during the financial year ended 31 March 2023. Their reports cover the status and progress of their assignments, audit recommendations, management's response and the outcome of the procedural review on RPT, follow up audit reports were also presented to the AC.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 March 2023 is RM57,240

**SUMMARY OF ACTIVITIES**

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

**Financial Reporting and Compliance**

- Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:
  - (i) significant and unusual events;
  - (ii) changes in or implementation of major accounting policy; and
  - (iii) compliance with accounting standards and other legal requirements.
- Reviewed the Group's quarterly results and year-end financial statements with applicable approved and new accounting standards issued by the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements.
- Reviewed the Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for insertion into the Annual Report 2022.

## AUDIT COMMITTEE REPORT

### Internal Audit and Risk Management

- Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.
- Reviewed and assessed the adequacy and effectiveness of the risk management framework and the appropriateness of Management's responses to key areas and proposed recommendations for improvements to be implemented.
- Reviewed the audit report prepared by the Internal Auditors, considered their material findings and assessed the Management's responses and action.
- Considered the renewal of Internal Audit engagement.

### External Audit

- Reviewed the External Audit Plan for the Company and the Group with the External Auditors to ensure the audit scope and activities are adequately covered.
- Reviewed the proposed final audit fees for the External Auditors and Internal Auditors in respect of their audit of the Company and the Group.
- Considered the re-appointment of the External Auditors.
- Met with the External Auditors twice a year without the presence of the executive Board members and the management.
- Assessed the suitability, performance and independence of the External Auditors in accordance to the criteria set out in the policy and procedures of the Company.

### Related Party Transaction

- Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the LR.
- Reviewed the policies, procedures and processes established for related party transactions.
- Reviewed the Recurrent Related Party Transactions circular and recommend to the Board to seek shareholders' approval for renewal of shareholders' mandate.

## OTHER INFORMATION

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

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

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

### CONTINUOUS PROCESS

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

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

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTERNAL AUDIT

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

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

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

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

### RISK MANAGEMENT

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

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



**ADDITIONAL COMPLIANCE INFORMATION****1. AUDIT FEES AND NON-AUDIT FEES**

During the financial year ended 31 March 2023, the amount of audit fees and non-audit fees paid or payable by the Company and the Group to external auditors are as follows:

	Group RM	Company RM
Audit Fees	RM393,168	RM176,578
Non-Audit Fees	RM5,300	RM5,300

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

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

**3. RECURRENT RELATED PARTY TRANSACTION**

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 March 2023 are as follows:

No.	Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate Value (RM'000)
1	Various agency agreements entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitate the operations of each other.	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Norihiko Yamada <sup>1</sup> , NYK Group <sup>3</sup> , YLK and YLSG	Sales : 280,542 Purchases: 258,180
2	Various staff secondment agreements entered into between TASCO and the NYK Group's subsidiaries whereby NYK Group's subsidiaries agree to second and TASCO agrees to engage the expatriate who shall be regarded as a member of TASCO's staff and shall be subject to TASCO's rules and regulations.	TASCO/NYK Group, NYK, YLK and YLSG	Mr. Norihiko Yamada <sup>1</sup> , NYK Group <sup>3</sup> , YLK and YLSG	1,637
3	Software agreement entered into between TASCO and the NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada <sup>1</sup> , NYK Group <sup>3</sup> , YLK and YLSG	2,710
4	Management service agreements entered into between TASCO and the NYK Group's subsidiaries for the provision of business development, sales, marketing and related activities by NYK Group to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada <sup>1</sup> , NYK Group <sup>3</sup> , YLK and YLSG	11,523
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG	Mr. Norihiko Yamada <sup>1</sup> , NYK Group <sup>3</sup> , YLK and YLSG	65,424

**Notes:**

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

## CALENDAR OF EVENTS

### YEAR 2022

#### 28 JULY

Award Ceremony and presentation of JSA-S1004:2020 Certification by Nippon Kaiji Kyokai (ClassNK) to TASCO Yusen Gold Cold Sdn Bhd held at Sunway Resort Hotel.



#### 7 SEPTEMBER

TASCO convened the 47th Annual General Meeting on a fully-virtual basis.



### YEAR 2023

#### 2-4 MARCH

Mr Hiroyuki Alex Okamoto, President of Yusen Logistics Co., Ltd visited TASCO.



#### 29 MARCH

TASCO was awarded – Top Cargo Agent Award 2022 by EVA Air



#### 27 JUNE

TASCO was awarded - Top Agent Award by Korean Air Cargo



#### 6 JULY

TASCO was awarded - CLT Global Leader 2022 award from Yusen Logistics Co., Ltd



**CALENDAR OF EVENTS**

**19 SEPTEMBER**

The Company was awarded – Highest Returns to Shareholders over the Three Years (Transportation and Logistics Category) by The Edge Centurion Club.



**5 & 6 OCTOBER**

Mr Masahiro Sugioka, the Chief Financial Officer of Yusen Logistics Co., Ltd visited TASCO.



**18 MAY**

TASCO was awarded – Best Improving Agent by Turkish Cargo.



**8 JUNE**

TASCO was included in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index



**6 JULY**

TASCO was awarded – Halal Logistics Excellence Award 2022 at the World Halal Business Conference by Halal Development Corporation Berhad



**20 JULY**

Opening Ceremony of Hypercold Logistics Sdn Bhd's new cold chain warehouse at Kota Kinabalu, Sabah



# FINANCIAL STATEMENTS

Corporate Information	119
Directors' Report	120
Independent Auditors' Report to the Members of TASCO Berhad	125
Consolidated Statement of Financial Position	129
Statement of Financial Position	131
Statements of Comprehensive Income	133
Consolidated Statement of Changes In Equity	134
Statement of Changes In Equity	135
Statements of Cash Flows	136
Notes to the Financial Statements	141
Statement by Directors	205
Statutory Declaration	205

**CORPORATE INFORMATION**

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

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

**PRINCIPAL ACTIVITIES**

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

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

**RESULTS**

	Group RM	Company RM
Profit for the financial year	92,259,242	85,018,392
Attributable to:		
Owners of the Company	90,797,933	85,018,392
Non-controlling interests	1,461,309	-
	92,259,242	85,018,392

**DIVIDENDS**

During the financial year, the Company paid a single-tier dividend of 1.50 sen per ordinary share amounting to RM12,000,000 in respect of financial year ended 31 March 2022.

On 27 April 2023, the directors declared a single-tier final dividend of 3.50 sen per ordinary share amounting to RM28,000,000 in respect of the financial year ended 31 March 2023. The single-tier final dividend was paid on 26 May 2023.

**ISSUE OF SHARES AND DEBENTURES**

There were no issuance of shares or debentures during the financial year.

**SHARE OPTIONS**

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

**DIRECTORS' REPORT**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the statements of changes in equity set out on pages 134 and 135.

**ULTIMATE HOLDING COMPANY**

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

**DIRECTORS**

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

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

**DIRECTORS OF SUBSIDIARY COMPANIES**

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

Encik Haris Fazail Bin Haroon  
Mr Tai Kain Fatt  
Mr Rikiya Kanamori (Resigned on 11/11/2022)  
Mr Keisuke Kurosawa (Appointed on 11/11/2022)

**DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**DIRECTORS' INTERESTS IN SHARES**

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

The Company	← - - - - No. of ordinary shares - - - - →			
	At 1.4.2022	Bought	Sold	At 31.3.2023
Mr Lee Check Poh - deemed interest <sup>(1)</sup>	79,143,504	-	-	79,143,504
Mr Tan Kim Yong - direct interest	240,000	-	-	240,000
Mr Lim Jew Kia - direct interest	480,000	-	-	480,000
Mr Raymond Cha Kar Siang - direct interest	88,000	-	-	88,000
Mr Kwong Hoi Meng - direct interest	88,000	-	-	88,000
Mr Raippan s/o Yagappan @ Raiappan Peter - direct interest	88,000	-	-	88,000
Mr Lee Wan Kai - direct interest	80,000	-	-	80,000
Subsidiary company				
- Omega Saujana Sdn Bhd				
Mr Lee Check Poh				
- direct interest	49,000	-	-	49,000
Subsidiary company				
- Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh				
- direct interest	49,000	-	-	49,000

<sup>(1)</sup> Deemed interest by virtue of his equity interest in *Real Fortune Portfolio Sdn Bhd*.

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

**DIRECTORS' BENEFITS**

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

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

Directors' remuneration and other benefits are as follows:

	Group/Company RM
Directors' fee	204,000
Other emoluments	5,978,864
Contribution to post-employment benefits	684,523



**DIRECTORS' REPORT**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**INDEMNITY**

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

**OTHER INFORMATION**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values of current assets as shown in the accounting records have been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render it necessary to write off any bad debt or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

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

In the opinion of the directors:

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

## **DIRECTORS' REPORT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### **AUDITORS**

The total amount of fees paid to or receivable by the auditors as remuneration for their services as auditors of the Group and of the Company for the financial year are RM393,168 and RM176,578 respectively.

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

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

### **APPROVAL OF THE DIRECTORS' REPORT**

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

**LEE CHECK POH**  
Director

**LEE WAN KAI**  
Director

Date: 29 May 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD**  
(INCOPORATED IN MALAYSIA)**Report on the Audit of the Financial Statements***Opinion*

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 129 to 204.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

*Basis for Opinion*

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

*Independence and Other Ethical Responsibilities*

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

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## (a) Impairment of goodwill

*The risk:*

As at 31 March 2023, the Group had goodwill of RM81,864,054 arising from the acquisition of Gold Cold Transport Sdn Bhd ("GCT") in previous financial years, which represented 5% of the Group's total assets. Goodwill is allocated to the cold chain business of GCT which represents the cash generating unit ("CGU") for impairment testing purposes. Recoverable amount of CGU is determined using the value-in-use method.

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

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

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

### *How the matter was addressed in our audit:*

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

### (b) Revenue recognition

#### *The risk:*

The revenue of the Group and of the Company for the financial year ended 31 March 2023 amounted to RM1,606,833,521 and RM1,439,742,935 respectively.

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

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

The Group's and the Company's disclosures about revenue recognition are included in notes 4(i), 26 and 41 to the financial statements.

#### *How the matter was addressed in our audit:*

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

### *Information Other than the Financial Statements and Auditors' Report Thereon*

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

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

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

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

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

### *Responsibilities of the Directors for the Financial Statements*

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD**  
(INCORPORATED IN MALAYSIA)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

**Other Matter**

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

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

**CHONG FAH YOW**  
03004/07/2024 J  
Chartered Accountant

Kuala Lumpur

Date: 29 May 2023

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	586,119,261	518,088,841
Right-of-use assets	6	13,015,732	26,510,622
Goodwill	7	81,864,054	81,864,054
Investment in associated company	9	3,721,893	3,562,279
Investments in joint ventures	10	14,593,719	14,107,444
Other assets		961,704	961,704
Deferred tax assets	11	534,690	323,932
<b>Total non-current assets</b>		<b>700,811,053</b>	<b>645,418,876</b>
<b>Current assets</b>			
Contract assets	13	265,277,762	211,879,361
Trade receivables	14	289,369,337	338,779,725
Other receivables, deposits and prepayments	15	20,698,249	25,391,377
Amount owing by immediate holding company	16	5,849,661	12,841,554
Amounts owing by related companies	17	11,141,120	50,672,916
Amount owing by associated company	9	174,800	50,000
Amount owing by a joint venture	10	619	16,219
Current tax assets		764,238	554,067
Cash and bank balances	18	241,142,059	87,462,082
<b>Total current assets</b>		<b>834,417,845</b>	<b>727,647,301</b>
<b>TOTAL ASSETS</b>		<b>1,535,228,898</b>	<b>1,373,066,177</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	100,801,317	100,801,317
Revaluation reserve		1,400,591	1,400,591
Fair value reserve		(64,999)	(64,999)
Retained earnings		493,528,584	414,712,891
Equity attributable to owners of the Company		595,665,493	516,849,800
Non-controlling interests		68,204,470	68,093,161
<b>Total equity</b>		<b>663,869,963</b>	<b>584,942,961</b>
<b>Non-current liabilities</b>			
Amount owing to corporate shareholder of subsidiary company	20	3,829,172	4,201,172
Lease liabilities	6	2,277,415	12,177,574
Hire purchase payables	21	1,321,991	1,221,249
Bank term loans	22	186,001,762	147,003,677
Deferred tax liabilities	11	24,427,201	22,595,280
<b>Total non-current liabilities</b>		<b>217,857,541</b>	<b>187,198,952</b>
<b>Current liabilities</b>			
Contract liabilities	13	1,394,266	1,660,749
Trade payables	23	478,749,400	421,773,704
Other payables, deposits and accruals	24	62,477,753	60,077,746
Amount owing to immediate holding company	16	2,256,667	3,069,756
Amounts owing to related companies	17	15,593,349	21,891,707
Amount owing to associated company	9	940,500	940,500
Amount owing to corporate shareholder of subsidiary company	20	462,497	470,510
Lease liabilities	6	11,988,543	16,375,561
Hire purchase payables	21	1,566,024	735,859
Bank term loans	22	31,477,203	70,708,064
Revolving credit	25	44,000,000	-
Current tax liabilities		2,595,192	3,220,108
<b>Total current liabilities</b>		<b>653,501,394</b>	<b>600,924,264</b>
<b>Total liabilities</b>		<b>871,358,935</b>	<b>788,123,216</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,535,228,898</b>	<b>1,373,066,177</b>

The accompanying notes form an integral part of the financial statements



**STATEMENT OF FINANCIAL POSITION**  
AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	361,115,817	296,346,445
Right-of-use assets	6	3,593,806	10,599,537
Investments in subsidiary companies	8	107,689,939	107,689,939
Investment in associated company	9	3,000,000	3,000,000
Investment in a joint venture	10	2,600,000	2,800,000
Amounts owing by subsidiary companies	12	21,411,122	22,804,259
Other assets		924,204	924,204
<b>Total non-current assets</b>		<b>500,334,888</b>	<b>444,164,384</b>
<b>Current assets</b>			
Trade receivables	14	135,267,523	200,524,796
Other receivables, deposits and prepayments	15	15,530,100	14,643,649
Amount owing by immediate holding company	16	5,849,661	12,841,554
Amounts owing by subsidiary companies	12	13,712,308	31,838,563
Amounts owing by related companies	17	11,141,120	50,672,916
Amount owing by associated company	9	174,800	50,000
Amount owing by a joint venture	10	619	619
Cash and bank balances	18	176,128,100	41,266,372
<b>Total current assets</b>		<b>357,804,231</b>	<b>351,838,469</b>
<b>TOTAL ASSETS</b>		<b>858,139,119</b>	<b>796,002,853</b>

**STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2023

	Note	2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	100,801,317	100,801,317
Fair value reserve		(64,999)	(64,999)
Retained earnings		351,353,461	278,335,069
<b>Total equity</b>		<b>452,089,779</b>	<b>379,071,387</b>
<b>Non-current liabilities</b>			
Lease liabilities	6	101,431	3,294,156
Bank term loans	22	157,400,010	122,933,341
Deferred tax liability	11	11,840,641	10,184,149
<b>Total non-current liabilities</b>		<b>169,342,082</b>	<b>136,411,646</b>
<b>Current liabilities</b>			
Trade payables	23	60,681,655	75,976,316
Other payables, deposits and accruals	24	44,740,645	46,543,866
Amount owing to immediate holding company	16	2,256,667	3,069,756
Amounts owing to subsidiary companies	12	37,806,433	56,345,778
Amounts owing to related companies	17	15,593,349	21,891,707
Amount owing to associated company	9	940,500	940,500
Lease liabilities	6	3,679,138	7,579,015
Bank term loans	22	24,653,331	65,300,000
Revolving credit	25	44,000,000	-
Current tax liability		2,355,540	2,872,882
<b>Total current liabilities</b>		<b>236,707,258</b>	<b>280,519,820</b>
<b>Total liabilities</b>		<b>406,049,340</b>	<b>416,931,466</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>858,139,119</b>	<b>796,002,853</b>

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF COMPREHENSIVE INCOME**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Revenue	26	1,606,833,521	1,481,412,546	1,439,742,935	1,341,817,563
Cost of sales		(1,406,898,126)	(1,277,471,655)	(1,266,945,206)	(1,164,246,164)
Gross profit		199,935,395	203,940,891	172,797,729	177,571,399
Other income	27	4,705,164	4,683,590	7,684,430	6,461,463
Administrative and general expenses		(71,456,885)	(108,453,003)	(60,731,774)	(97,634,440)
Profit from operations	28	133,183,674	100,171,478	119,750,385	86,398,422
Finance costs	29	(13,471,512)	(13,195,827)	(11,030,345)	(10,954,157)
Share of results of associated company and joint ventures		845,889	1,170,812	-	-
Profit before tax		120,558,051	88,146,463	108,720,040	75,444,265
Tax expense	30	(28,298,809)	(20,425,502)	(23,701,648)	(16,584,684)
Profit for the financial year		92,259,242	67,720,961	85,018,392	58,859,581
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss:</i>					
Reversal of deferred tax liability pertaining to gain revaluation of properties		17,760	-	-	-
Other comprehensive income for the financial year, net of tax		17,760	-	-	-
Total comprehensive income for the financial year		92,277,002	67,720,961	85,018,392	58,859,581
Profit attributable to:					
Owners of the Company		90,797,933	65,249,760	85,018,392	58,859,581
Non-controlling interests		1,461,309	2,471,201	-	-
Profit for the financial year		92,259,242	67,720,961	85,018,392	58,859,581
Total comprehensive income attributable to:					
Owners of the Company		90,815,693	65,249,760	85,018,392	58,859,581
Non-controlling interests		1,461,309	2,471,201	-	-
Total comprehensive income for the financial year		92,277,002	67,720,961	85,018,392	58,859,581
Basic earnings per share attributable to owners of the Company (sen per share)					
	31	11.35	8.16		

The accompanying notes form an integral part of the financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Group	Note	Attributable to owners of the Company				Total equity RM		
		Share capital RM	Revaluation reserve RM	Fair value reserve RM	Retained earnings RM			
		Non distributable	Distributable		Non-controlling interests RM	Total equity RM		
Balance at 1 April 2021		100,801,317	1,400,591	(64,999)	367,463,131	469,600,040	66,971,960	536,572,000
Total comprehensive income for the financial year		-	-	-	65,249,760	65,249,760	2,471,201	67,720,961
Dividends paid	32	-	-	-	(18,000,000)	(18,000,000)	-	(18,000,000)
Dividends paid to non-controlling interest of a subsidiary company		-	-	-	-	-	(1,350,000)	(1,350,000)
Balance at 31 March 2022		100,801,317	1,400,591	(64,999)	414,712,891	516,849,800	68,093,161	584,942,961
Total comprehensive income for the financial year		-	-	-	90,815,693	90,815,693	1,461,309	92,277,002
Dividends paid	32	-	-	-	(12,000,000)	(12,000,000)	-	(12,000,000)
Dividends paid to non-controlling interest of a subsidiary company		-	-	-	-	-	(1,350,000)	(1,350,000)
Balance at 31 March 2023		100,801,317	1,400,591	(64,999)	493,528,584	595,665,493	68,204,470	663,869,963

The accompanying notes form an integral part of the financial statements

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

← Non distributable → Distributable

	Note	Share capital RM	Fair value reserve RM	Retained earnings RM	Total equity RM
<b>Company</b>					
Balance at 1 April 2021		100,801,317	(64,999)	237,475,488	338,211,806
Total comprehensive income for the financial year		-	-	58,859,581	58,859,581
Dividends paid	32	-	-	(18,000,000)	(18,000,000)
Balance at 31 March 2022		100,801,317	(64,999)	278,335,069	379,071,387
Total comprehensive income for the financial year		-	-	85,018,392	85,018,392
Dividends paid	32	-	-	(12,000,000)	(12,000,000)
Balance at 31 March 2023		100,801,317	(64,999)	351,353,461	452,089,779

The accompanying notes form an integral part of the financial statements

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	120,558,051	88,146,463	108,720,040	75,444,265
Adjustments for:				
Allowance for doubtful debts	341,067	425,210	341,067	388,198
Depreciation of property, plant and equipment	30,753,500	28,956,092	18,423,578	17,151,604
Depreciation of right-of-use assets	16,165,650	16,242,926	8,094,761	8,059,353
Gain on disposal of property, plant and equipment	(269,099)	(1,167,713)	(180,892)	(985,084)
Gain on early termination of lease contracts	(2,601)	(31,894)	-	(21,904)
Fair value gain on short term investments	-	(69,206)	-	-
Property, plant and equipment written off	87,952	16,025,123	87,952	16,025,123
Share of results of associated company and joint ventures	(845,889)	(1,170,812)	-	-
Interest income	(3,329,889)	(831,691)	(2,799,141)	(1,442,617)
Dividend income	(36,600)	(36,600)	(3,186,600)	(3,186,600)
Interest expense	13,471,512	13,195,827	11,030,345	10,954,157
Unrealised (gain)/loss on foreign exchange	(459,334)	744,720	(459,334)	744,720
Operating profit before working capital changes	176,434,320	160,428,445	140,071,776	123,131,215
Changes in receivables	45,193,330	(418,079,141)	112,705,228	(95,181,844)
Changes in payables	52,832,957	380,449,883	(37,226,618)	38,621,028
Cash generated from operations	274,460,607	122,799,187	215,550,386	66,570,399
Tax paid	(27,481,419)	(21,136,765)	(22,538,535)	(16,083,789)
Net cash generated from operating activities	246,979,188	101,662,422	193,011,851	50,486,610

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	33	(96,040,198)	(46,787,368)	(85,506,615)	(37,007,040)
Proceeds from disposal of property, plant and equipment		768,353	1,627,890	569,454	1,427,199
Repayment from a joint venture		200,000	680,000	200,000	680,000
Advances to associate company		(124,800)	-	(124,800)	-
Repayment from/(Advance to) subsidiary companies		-	-	18,760,440	(1,222,619)
Interest received		3,329,889	831,691	2,799,141	1,461,765
Dividends received		36,600	36,600	3,186,600	3,186,600
Acquisition of joint venture		-	(10,550,000)	-	-
Acquisition of other investment		-	(37,500)	-	-
Redemption of short term investments		-	5,507,345	-	-
Net cash used in investing activities		(91,830,156)	(48,691,342)	(60,115,780)	(31,474,095)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of term loans		70,800,000	-	60,000,000	-
Drawdown of revolving credit		44,000,000	-	44,000,000	-
Repayment of term loans		(71,032,776)	(28,764,236)	(66,180,000)	(24,466,662)
Repayment of hire purchase payables		(1,134,333)	(309,007)	-	-
Repayment of lease liabilities		(16,955,336)	(14,366,168)	(8,181,632)	(7,859,598)
(Repayment to)/Advance from of a subsidiary company		-	-	(4,697,281)	3,625,247
Repayment to corporate shareholder of a subsidiary company		(372,000)	(372,000)	-	-
Interest paid		(13,479,525)	(13,203,840)	(11,030,345)	(10,954,157)
Dividends paid		(12,000,000)	(18,000,000)	(12,000,000)	(18,000,000)
Dividend paid to non-controlling interest of a subsidiary company		(1,350,000)	(1,350,000)	-	-
Net cash (used in)/generated from financing activities		(1,523,970)	(76,365,251)	1,910,742	(57,655,170)

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>					
		153,625,062	(23,394,171)	134,806,813	(38,642,655)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		87,462,082	110,937,932	41,266,372	79,990,706
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		54,915	(81,679)	54,915	(81,679)
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>		241,142,059	87,462,082	176,128,100	41,266,372

Represented by:

Cash and bank balances	18	241,142,059	87,462,082	176,128,100	41,266,372
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Note (a):

Reconciliation of liabilities arising from financing activities

2023 Group	Term loans RM	Revolving credits RM	Hire purchase payables RM	Lease liabilities RM	Amounts owing to corporate shareholder of subsidiary company RM	Total RM
At beginning of financial year	217,711,741	-	1,957,108	28,553,135	4,671,682	252,893,666
<i>Cash flows:</i>						
Drawdown of banking facilities	70,800,000	44,000,000	-	-	-	114,800,000
Repayment of term loans	(71,032,776)	-	-	-	-	(71,032,776)
Repayment of hire purchase payables	-	-	(1,134,333)	-	-	(1,134,333)
Repayment of lease liabilities	-	-	-	(16,955,336)	-	(16,955,336)
Repayment to corporate shareholder of subsidiary company	-	-	-	-	(372,000)	(372,000)
Interest paid	(10,926,879)	(1,320,410)	(146,397)	(841,264)	(244,575)	(13,479,525)
<i>Non-cash changes:</i>						
Interest expenses	10,926,879	1,320,410	146,397	841,264	236,562	13,471,512
Termination of lease contracts	-	-	-	(103,420)	-	(103,420)
Additions of lease liabilities	-	-	-	2,771,579	-	2,771,579
Acquisition of property, plant and equipment	-	-	2,065,240	-	-	2,065,240
At end of financial year	217,478,965	44,000,000	2,888,015	14,265,958	4,291,669	282,924,607

The accompanying notes form an integral part of the financial statements



**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Note (a):

Reconciliation of liabilities arising from financing activities (Cont'd)

<b>2022 Group</b>	<b>Term loans RM</b>	<b>Hire purchase payables RM</b>	<b>Lease liabilities RM</b>	<b>Amounts owing to corporate shareholder of subsidiary company RM</b>	<b>Total RM</b>
At beginning of financial year	246,475,977	-	19,721,937	5,051,695	271,249,609
<i>Cash flows:</i>					
Repayment of term loans	(28,764,236)	-	-	-	(28,764,236)
Repayment of hire purchase payables	-	(309,007)	-	-	(309,007)
Repayment of lease liabilities	-	-	(14,366,168)	-	(14,366,168)
Repayment to corporate shareholder of subsidiary company	-	-	-	(372,000)	(372,000)
Interest paid	(11,571,426)	(42,155)	(1,325,372)	(264,887)	(13,203,840)
<i>Non-cash changes:</i>					
Interest expenses	11,571,426	42,155	1,325,372	256,874	13,195,827
Termination of lease contracts	-	-	(924,797)	-	(924,797)
Additions of lease liabilities	-	-	24,122,163	-	24,122,163
Acquisition of property, plant and equipment	-	2,266,115	-	-	2,266,115
At end of financial year	217,711,741	1,957,108	28,553,135	4,671,682	252,893,666
<hr/>					
<b>2023 Company</b>	<b>Term loans RM</b>	<b>Revolving credits RM</b>	<b>Amounts owing to subsidiary company RM</b>	<b>Lease liabilities RM</b>	<b>Total RM</b>
At beginning of financial year	188,233,341	-	41,926,317	10,873,171	241,032,829
<i>Cash flows:</i>					
Drawdown of banking facilities	60,000,000	44,000,000	-	-	104,000,000
Repayment of term loans	(66,180,000)	-	-	-	(66,180,000)
Repayment to subsidiary companies	-	-	(4,697,281)	-	(4,697,281)
Repayment of lease liabilities	-	-	-	(7,092,602)	(7,092,602)
Interest paid	(9,450,784)	(1,320,410)	-	(259,151)	(11,030,345)
<i>Non-cash changes:</i>					
Interest expenses	9,450,784	1,320,410	-	259,151	11,030,345
Termination of lease contracts	-	-	-	-	-
Additions of lease liabilities	-	-	-	-	-
At end of financial year	182,053,341	44,000,000	37,229,036	3,780,569	267,062,946

The accompanying notes form an integral part of the financial statements

**STATEMENTS OF CASH FLOWS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Note (a):

Reconciliation of liabilities arising from financing activities (Cont'd)

<b>2022 Company</b>	<b>Term loans RM</b>	<b>Amounts to owing subsidiary companies RM</b>	<b>Lease liabilities RM</b>	<b>Total RM</b>
At beginning of financial year	212,700,003	38,301,070	15,879,906	266,880,979
<i>Cash flows:</i>				
Repayment of term loans	(24,466,662)	-	-	(24,466,662)
Advances from subsidiary companies	-	3,625,247	-	3,625,247
Repayment of lease liabilities	-	-	(7,859,598)	(7,859,598)
Interest paid	(10,460,936)	-	(493,221)	(10,954,157)
<i>Non-cash changes:</i>				
Interest expenses	10,460,936	-	493,221	10,954,157
Termination of lease contracts	-	-	(502,689)	(502,689)
Additions of lease liabilities	-	-	3,355,552	3,355,552
At end of financial year	188,233,341	41,926,317	10,873,171	241,032,829

The accompanying notes form an integral part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

#### 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 119.

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.

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 amended standards

In the current financial year, the Group and the Company have applied a number of new standards and amendments that become effective mandatorily for the financial periods beginning on or after 1 April 2022.

The adoption of the new standards and amendments does not have significant impact on the disclosures or on the amounts reported in these financial statements.

##### (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:

	<b>Effective for financial periods beginning on or after</b>
MFRS 17	Insurance Contracts
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

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

		<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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 impaired 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)***Key sources of estimation uncertainty (Cont'd)**(i) Impairment of goodwill (Cont'd)*

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

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

The carrying amount of goodwill as at 31 March 2023 is disclosed in note 7.

*(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 will affect the ECL on trade receivables and contract assets.

The carrying amounts of trade receivables and contract assets are disclosed in notes 13,14 and 39.

*(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 2023 are disclosed in note 5.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

##### (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 2023 were RM1,298,928 and nil (2022: RM877,999 and nil) respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2023 were RM27,022,393 and RM14,196,181 (2022: RM25,815,388 and RM13,057,031) 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.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### (a) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

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 subsidiary companies*

The changes of interests in subsidiary companies 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 company:

- (i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary company.
- (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 company 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 company at the date when control is lost.
- (iii) It recognises any investment retained in the former subsidiary company 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 associated company 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

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 subsidiary companies

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) Associated company and joint venture

An associated company is an entity in which the Group has significant influence and that is neither a subsidiary company 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 associated company or joint venture are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investments in associated company 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 associated company or joint venture.

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



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(d) Associated company and joint venture (Cont'd)**

An investment in an associated company 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 associated company or joint venture.

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

Equity accounting is discontinued when the carrying amount of the investment in an associated company 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 associated company and joint venture.

The results and reserves of associated company 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 associated company or joint venture reduce the carrying amount of the investment.

When the Group ceases to have significant influence over an associated company, any retained interest in the former associated company 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 associated company 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 associated company are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associated company is recognised in profit or loss.

In the Company's separate financial statements, investments in associated company 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 associated company 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

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

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

##### (ii) Depreciation

Freehold land 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
Handling equipment, 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

*(a) Goodwill (Cont'd)*

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

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

*(b) Property, plant and equipment, right-of-use assets, investments in subsidiary companies, associated company 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 entity and a financial liability or equity instrument of another entity. 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

##### Financial assets (Cont'd)

##### (i) *Subsequent measurement*

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

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

##### (ii) *Financial assets at amortised cost*

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

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

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

##### (iii) *Equity instruments designated at FVTOCI*

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

**Financial assets (Cont'd)**

*(iv) Financial assets at FVTPL*

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

- Debt instruments that are designated 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

**Financial assets (Cont'd)**

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

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

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified 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 at FVTPL when the financial liability is:

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

**Financial Liabilities (Cont'd)**

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

For financial liabilities that are designated 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

##### Equity instrument

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

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

##### Derivative financial instruments and hedging

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

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

#### (h) Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, a provision represents the present value of those estimated future 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

- (iii) Truck rental income is recognised on a straight-line basis over the specific tenure of the respective leases.
- (iv) Forwarding agency commission is recognised as and when services are completed.
- (v) Insurance agency commission income is recognised upon the execution or renewal of insurance policies.

*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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

#### (j) Foreign currencies (Cont'd)

##### (ii) Translation of foreign operations (Cont'd)

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

**(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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

##### (i) Current tax (Cont'd)

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 for 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(q) Segmental reporting (Cont'd)**

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).

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**5. PROPERTY, PLANT AND EQUIPMENT**

Group 2023	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
At 1 April 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
Additions	48,000	187,714	7,670,186	21,750,333	3,728,640	2,629,812	6,306,097	57,050,344	99,371,126
Disposals	-	-	-	(762,001)	(178,100)	(153,242)	(22,617)	-	(1,115,960)
Write offs	-	-	-	(291,987)	-	(125,519)	(69,009)	-	(486,515)
At 31 March 2023	132,953,444	201,074,643	152,726,196	142,134,569	74,524,474	39,377,517	69,772,613	66,012,294	878,575,750
<b>Accumulated depreciation</b>									
At 1 April 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
Charge for the financial year	1,983,537	4,202,879	1,986,532	8,085,760	6,875,433	3,929,385	3,689,974	-	30,753,500
Disposals	-	-	-	(408,050)	(178,096)	(29,089)	(1,471)	-	(616,706)
Write offs	-	-	-	(291,987)	-	(69,094)	(37,482)	-	(398,563)
At 31 March 2023	11,449,498	50,458,092	14,984,896	98,156,161	46,296,386	25,297,488	45,813,968	-	292,456,489
Net carrying amount									
At 31 March 2023	121,503,946	150,616,551	137,741,300	43,978,408	28,228,088	14,080,029	23,958,645	66,012,294	586,119,261

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

Group 2022	Freehold		Leasehold		Leasehold		Motor		Plant		Office		Air		Total
	land and buildings	buildings	land	land	vehicles	machinery	and fittings	equipment, furniture and renovation and pallets	office renovation and pallets	Construction work-in progress	RM	RM	RM	RM	
Cost	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
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						
<b>Accumulated depreciation</b>															
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						

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

Company 2023	Freehold land and buildings RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Handling equipment, Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Construction work-in progress RM	Total RM
At 1 April 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
Additions	-	187,714	-	19,449,773	2,263,822	1,978,845	6,265,587	53,523,723	83,669,464
Disposals	-	-	-	(762,000)	(28,000)	(22,546)	(19,380)	-	(831,926)
Write offs	-	-	-	-	-	(125,519)	(69,009)	-	(194,528)
At 31 March 2023	3,861,606	142,380,118	114,973,660	133,891,784	21,996,638	31,149,793	65,633,068	62,485,673	576,372,340
<b>Accumulated depreciation</b>									
At 1 April 2022	725,402	24,966,698	10,534,709	85,857,349	16,677,974	17,939,712	40,681,041	-	197,382,885
Charge for the financial year	64,171	2,860,314	1,452,276	7,153,601	771,114	2,817,176	3,304,926	-	18,423,578
Disposals	-	-	-	(408,050)	(28,000)	(7,097)	(217)	-	(443,364)
Write offs	-	-	-	-	-	(69,094)	(37,482)	-	(106,576)
At 31 March 2023	789,573	27,827,012	11,986,985	92,602,900	17,421,088	20,680,697	43,948,268	-	215,256,523
Net carrying amount									
At 31 March 2023	3,072,033	114,553,106	102,986,675	41,288,884	4,575,550	10,469,096	21,684,800	62,485,673	361,115,817



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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
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
<b>Accumulated depreciation</b>									
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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Leasehold buildings	150,616,551	154,631,716	114,553,106	117,225,706
Leasehold land	137,741,300	132,057,646	102,986,675	104,438,951
Acquired via hire purchase arrangements:				
- Motor vehicles	3,691,627	2,139,232	-	-
	292,049,478	288,828,594	217,539,781	221,664,657

As of 31 March 2023, the following assets are charged to licensed banks as security for bank term loans, as disclosed in note 22:

	Group	
	2023 RM	2022 RM
Net carrying amount:		
- Freehold land and buildings	69,200,344	70,535,805

Title deed of a leasehold land with net carrying amount of RM1,765,365 (2022: RM1,784,569) has yet to be issued in or transferred to the name of the Company.

**6. LEASES**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Right-of-use assets</b>				
<b>Cost</b>				
At 1 April	51,974,805	40,173,144	24,885,449	33,090,032
Additions	2,771,579	24,122,163	1,089,030	3,355,552
Termination of lease contracts	(6,910,832)	(12,320,502)	(6,657,794)	(11,560,135)
At 31 March	47,835,552	51,974,805	19,316,685	24,885,449
<b>Accumulated depreciation</b>				
At 1 April	25,464,183	20,648,856	14,285,912	17,305,909
Charge for the financial year	16,165,650	16,242,926	8,094,761	8,059,353
Termination of lease contracts	(6,810,013)	(11,427,599)	(6,657,794)	(11,079,350)
At 31 March	34,819,820	25,464,183	15,722,879	14,285,912
<b>Net carrying amount</b>				
At 31 March	13,015,732	26,510,622	3,593,806	10,599,537

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**6. LEASES (CONT'D)**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Right-of-use assets at the end of the financial period comprise of:</b>				
Properties	9,674,430	22,771,786	3,591,327	10,587,140
Motor vehicles	3,338,823	3,726,439	-	-
Plant and machinery	2,479	12,397	2,479	12,397
	<b>13,015,732</b>	<b>26,510,622</b>	<b>3,593,806</b>	<b>10,599,537</b>
<b>Lease liabilities</b>				
- Current	11,988,543	16,375,561	3,679,138	7,579,015
- Non-current	2,277,415	12,177,574	101,431	3,294,156
	<b>14,265,958</b>	<b>28,553,135</b>	<b>3,780,569</b>	<b>10,873,171</b>

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 RM16,933,668 (2022: RM19,553,987) and RM20,211,005 (2022: RM22,813,118) 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 RM52,864,660 (2022: RM42,390,103) and RM44,223,770 (2022: RM33,034,248) respectively.

**7. GOODWILL**

	Group	
	2023 RM	2022 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**7. GOODWILL (CONT'D)**

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

Pre-tax discount rate <sup>(1)</sup>	10% (2022: 8%)
Revenue growth <sup>(2)</sup>	4% (2022: 4%)
Terminal growth rate <sup>(3)</sup>	1% (2022: 1%)

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

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

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

The directors believe that no reasonably possible changes in any of the key assumption would cause the recoverable amount of the CGU to differ materially from its carrying amount as at 31 March 2023.

**8. INVESTMENTS IN SUBSIDIARY COMPANIES**

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost		
- in Malaysia	107,689,939	107,689,939

Details of the subsidiary companies are as follows:

	Proportion of effective ownership interest		Country of incorporation/ Principal place of business	Principal activities
	2023 %	2022 %		
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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)**

Details of the subsidiary companies are as follows (Cont'd):

**Subsidiaries of TYGC**

	Proportion of effective ownership interest		Country of incorporation/ Principal place of business	Principal activities
	2023 %	2022 %		
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

*Subsidiary companies that have material non-controlling interests*

Details of the Group's subsidiary companies 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	
		2023	2022	2023	2022	2023	2022
		%	%	RM	RM	RM	RM
TYGC	Malaysia	30	30	1,423,195	1,940,108	65,420,246	65,347,051
Other immaterial entities						2,784,224	2,746,110
						68,204,470	68,093,161

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

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

	2023 RM	2022 RM
<b>TYGC</b>		
Non-current assets	269,014,437	272,783,448
Current assets	63,985,895	66,634,596
Non-current liabilities	(65,985,818)	(69,612,500)
Current liabilities	(48,929,266)	(51,982,040)
<b>Net assets</b>	<b>218,085,248</b>	<b>217,823,504</b>
Revenue	161,531,598	143,412,752
Profit for the financial year	4,743,984	6,467,028
Dividend paid to non-controlling interests	1,350,000	1,350,000
Net cash flows from operating activities	28,500,401	19,768,537
Net cash flows used in investing activities	(17,639,798)	(18,771,968)
Net cash flows used in financing activities	(13,434,971)	(15,708,373)
<b>Net changes in cash and cash equivalents</b>	<b>(2,574,368)</b>	<b>(14,711,804)</b>

### 9. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of results	721,893	562,279	-	-
	<b>3,721,893</b>	<b>3,562,279</b>	<b>3,000,000</b>	<b>3,000,000</b>

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

	Proportion of effective ownership interest		Country of incorporation/ Principal place of business	Principal activities
	2023 %	2022 %		
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Malaysia	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 2022 have been used.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**9. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)**

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Group's share of results	159,614	365,588

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Non-current assets	7,032,677	7,474,933
Current assets	2,521,578	1,370,355
Non-current liabilities	(1,534,968)	(1,664,955)
Current liabilities	(575,501)	(55,775)
<b>Net assets</b>	<b>7,443,786</b>	<b>7,124,558</b>
Revenue	1,504,800	1,504,800
Profit for the financial year	319,228	731,175

The amount owing by associated company comprises:

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Non-interest bearing advances	174,800	50,000

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

The amount owing to associated company comprises:

	<b>Group/Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Trade account	940,500	940,500

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

**10. INVESTMENTS IN JOINT VENTURES**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	10,950,000	10,950,000	400,000	400,000
Group's share of results	1,443,719	757,444	-	-
	12,393,719	11,707,444	400,000	400,000
Equity contribution	2,200,000	2,400,000	2,200,000	2,400,000
	14,593,719	14,107,444	2,600,000	2,800,000

The Group and the Company deemed interest free advances amounting to RM2,200,000 (2022: RM2,400,000) to the joint venture as equity contribution from shareholder and thus, do not expect repayment in the next 12 months.hs.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**10. INVESTMENTS IN JOINT VENTURES (CONT'D)**

Details of the joint ventures, which have principal place of business in Malaysia, are as follows:

	Proportion of effective ownership interest		Country of incorporation/ Principal place of business	Principal activities
	2023 %	2022 %		
YLTC Sdn Bhd ("YLTC")*	40	40	Malaysia	Trading, distribution and logistics
<b>Held through TYGC</b>				
Hypercold Logistics Sdn Bhd ("Hypercold")*	50	50	Malaysia	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 2022 have been used.

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

	YLTC RM	2023 Hypercold RM	Total RM
Group's share of results	307,625	378,650	686,275
	YLTC RM	2022 Hypercold RM	Total RM
Group's share of results	485,283	319,941	805,224

The summarised financial information of joint ventures are as follows:

	YLTC RM	2023 Hypercold RM	Total RM
Non-current assets	520,720	11,145,567	11,666,287
Current assets	28,901,273	9,801,323	38,702,596
Non-current liabilities	(106,000)	(4,305,485)	(4,411,485)
Current liabilities	(26,453,178)	(7,572,102)	(34,025,280)
Net assets	2,862,815	9,069,303	11,932,118
Revenue	141,913,821	9,753,227	151,667,048
Profit for the financial year	769,062	757,302	1,526,364



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**10. INVESTMENTS IN JOINT VENTURES (CONT'D)**

The summarised financial information of joint ventures are as follows (Cont'd):

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

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:

	<b>YLTC RM</b>	<b>2023 Hypercold RM</b>	<b>Total RM</b>
Net assets	2,862,815	9,069,303	11,932,118
Fair value adjustment	-	2,688,368	2,688,368
	2,862,815	11,757,671	14,620,486
Proportion ownership held by the Group	40%	50%	
	1,145,126	5,878,836	7,023,962
Goodwill	-	5,369,757	5,369,757
The Group's share of net assets of the joint ventures	1,145,126	11,248,593	12,393,719
Equity contribution	2,200,000	-	2,200,000
<b>Carrying amount of net investment as at 31 March</b>	<b>3,345,126</b>	<b>11,248,593</b>	<b>14,593,719</b>

	<b>YLTC RM</b>	<b>2022 Hypercold RM</b>	<b>Total RM</b>
Net assets	2,093,756	8,312,001	10,405,757
Fair value adjustment	-	2,688,368	2,688,368
	2,093,756	11,000,369	13,094,125
Proportion ownership held by the Group	40%	50%	
	837,502	5,500,185	6,337,687
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
Equity contribution	2,400,000	-	2,400,000
<b>Carrying amount of net investment as at 31 March</b>	<b>3,237,502</b>	<b>10,869,942</b>	<b>14,107,444</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**10. INVESTMENTS IN JOINT VENTURES (CONT'D)**

The amount owing by a joint venture comprise:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade account	619	16,219	619	619

The trade accounts are expected to be settled within the normal credit period.

The amount owing by a joint venture is denominated in RM.

**11. DEFERRED TAX ASSETS/(LIABILITIES)**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At beginning of the financial year	(22,271,348)	(22,875,202)	(10,184,149)	(9,476,919)
Recognised in profit or loss	(1,638,923)	603,854	(1,656,492)	(707,230)
Recognised in other comprehensive income	17,760	-	-	-
At end of the financial year	(23,892,511)	(22,271,348)	(11,840,641)	(10,184,149)

Represented by:

Deferred tax assets	534,690	323,932	-	-
Deferred tax liabilities	(24,427,201)	(22,595,280)	(11,840,641)	(10,184,149)
	(23,892,511)	(22,271,348)	(11,840,641)	(10,184,149)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax effects of:				
- excess of capital allowances over accumulated depreciation on property, plant and equipment	(21,771,829)	(18,765,714)	(12,591,085)	(10,983,826)
- fair value adjustment arising from acquisition of subsidiaries	(5,417,274)	(6,289,625)	-	-
- allowance for doubtful debts	631,232	549,376	546,565	464,709
- unrealised loss on foreign exchange	159,056	269,296	159,056	269,296
- leases	58,067	80,085	44,823	65,672
- other temporary differences	2,448,237	1,885,234	-	-
	(23,892,511)	(22,271,348)	(11,840,641)	(10,184,149)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES**

The amounts owing by subsidiary companies comprise:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Current:		
Trade accounts	1,773,614	1,936,611
Advances		
- non-interest bearing	10,174,492	28,276,480
- interest bearing at 5.46% (2022: 5.46%) per annum	868,000	868,000
- interest bearing at 3.25% (2022: 3.25%) per annum	685,498	528,070
Interest receivable	210,704	229,402
	<b>13,712,308</b>	<b>31,838,563</b>
Non-current:		
Advances		
- interest bearing at 5.46% (2022: 5.46%) per annum	8,934,734	9,802,734
- interest bearing at 3.25% (2022: 3.25%) per annum	12,476,388	13,001,525
	<b>21,411,122</b>	<b>22,804,259</b>
	<b>35,123,430</b>	<b>54,642,822</b>

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% (2022: 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% (2022: 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:

	<b>Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Trade accounts	577,397	14,419,461
Non-interest bearing advances	37,229,036	41,926,317
	<b>37,806,433</b>	<b>56,345,778</b>

The trade accounts are expected to be settled within the normal credit period.

The non-interest bearing advances are unsecured and payable on demand.

The amounts owing to subsidiary companies are denominated in RM.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**13. CONTRACT ASSETS/(CONTRACT LIABILITIES)**

<b>Contract assets</b>	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial year	211,879,361	-
Addition	2,065,847,060	731,947,081
Transfer to trade receivables	(2,012,448,659)	(520,067,720)
At end of the financial year	265,277,762	211,879,361

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.

<b>Contract liabilities</b>	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
Consideration received in advance:		
At beginning of the financial year	(1,660,749)	-
Consideration received	(78,780)	(1,813,340)
Revenue recognised during the financial year	345,263	152,591
At end of the financial year	(1,394,266)	(1,660,749)

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

**14. TRADE RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Gross trade receivables	292,182,257	341,251,578	137,544,876	202,461,082
Allowance for doubtful debts	(2,812,920)	(2,471,853)	(2,277,353)	(1,936,286)
	289,369,337	338,779,725	135,267,523	200,524,796

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
- RM	279,213,307	297,281,972	124,575,926	158,491,476
- US Dollar	12,226,855	43,212,453	12,226,855	43,212,453
- Singapore Dollar	267,625	335,540	267,625	335,540
- Thai Baht	474,470	421,613	474,470	421,613
	292,182,257	341,251,578	137,544,876	202,461,082

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	3,522,601	2,798,370	3,340,972	2,373,611
Deposits paid for the acquisition of property, plant and equipment	4,016,531	6,629,460	489,910	-
Deposits	9,579,293	9,931,536	8,965,852	9,344,915
Prepayments	3,579,566	6,031,753	2,733,366	2,925,123
Goods and Services Tax ("GST") recoverable	258	258	-	-
	<b>20,698,249</b>	<b>25,391,377</b>	<b>15,530,100</b>	<b>14,643,649</b>

The currency exposure profile of the gross other receivables (excluding deposits for the acquisition of property, plant and equipment, prepayments and GST recoverable) is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
- RM	12,935,965	12,729,906	12,275,353	11,718,526
- US Dollar	118,759	-	-	-
- Singapore Dollar	15,699	-	-	-
- Thai Baht	31,471	-	31,471	-
	<b>13,101,894</b>	<b>12,729,906</b>	<b>12,306,824</b>	<b>11,718,526</b>

**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	
	2023 RM	2022 RM
- RM	1,854,574	3,398,841
- US Dollar	3,584,247	8,454,441
- Singapore Dollar	410,840	988,272
	<b>5,849,661</b>	<b>12,841,554</b>

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

	Group/Company	
	2023 RM	2022 RM
- RM	5,784	5,784
- Japanese Yen	1,213,003	1,500,448
- US Dollar	1,037,880	1,563,524
	<b>2,256,667</b>	<b>3,069,756</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**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	
	2023	2022
	RM	RM
- RM	5,077,158	16,444,913
- US Dollar	5,962,296	34,095,029
- Singapore Dollar	100,966	118,215
- Thai Baht	700	6,992
- Hong Kong Dollar	-	7,767
	11,141,120	50,672,916

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

	Group/Company	
	2023	2022
	RM	RM
RM	98,829	123,482
Singapore Dollar	918,667	4,767,047
US Dollar	11,226,776	13,986,211
Thai Baht	121,245	454,525
Australian Dollar	21,426	2,957
Chinese Yuan Renminbi	298,398	618,818
Euro	1,461,288	703,433
Great Britain Pound	793,353	592,803
Hong Kong Dollar	335,949	270,923
South Korean Won	182,587	260,835
New Taiwan Dollar	13,226	6,968
Others	121,605	103,705
	15,593,349	21,891,707

**18. CASH AND BANK BALANCES**

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
- RM	227,047,826	70,704,628	162,033,867	24,508,918
- US Dollar	7,712,755	13,230,360	7,712,755	13,230,360
- Singapore Dollar	6,375,764	3,472,586	6,375,764	3,472,586
- Thai Baht	5,714	54,508	5,714	54,508
	241,142,059	87,462,082	176,128,100	41,266,372

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**19. SHARE CAPITAL**

	2023		2022	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
At beginning of the financial year / end of financial year	800,000,000	100,801,317	800,000,000	100,801,317

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**19. SHARE CAPITAL (CONT'D)**

- (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.

**20. AMOUNT OWING TO CORPORATE SHAREHOLDER OF SUBSIDIARY COMPANY**

	Group	
	2023 RM	2022 RM
Current:		
Advances		
- interest bearing at 5.46% (2022: 5.46%) per annum	372,000	372,000
Interest payable	90,497	98,510
	462,497	470,510
Non-current:		
Advances		
- interest bearing at 5.46% (2022: 5.46%) per annum	3,829,172	4,201,172
	4,291,669	4,671,682

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.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**21. HIRE PURCHASE PAYABLES**

	Group	
	2023 RM	2022 RM
Future instalments payable		
- not later than one year	1,566,024	808,655
- later than one year but not later than five years	1,499,998	1,266,062
Total future instalments payable	3,066,022	2,074,717
Unexpired term charges	(178,007)	(117,609)
Total outstanding principal	2,888,015	1,957,108
Outstanding principal:		
- not later than one year <i>(included under current liabilities)</i>	(1,566,024)	(735,859)
- later than one year but not later than five years <i>(included under non-current liabilities)</i>	1,321,991	1,221,249

The interest rate of hire purchase payables is at 2.81% (2022: 2.35%) per annum.

The hire purchase payables are denominated in RM.

**22. BANK TERM LOANS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
The bank term loans are repayable as follows:				
<i>(included under current liabilities)</i>				
- not later than one year	31,477,203	70,708,064	24,653,331	65,300,000
<i>(included under non-current liabilities)</i>				
- later than one year but not later than five years	106,882,101	105,385,686	82,813,322	84,533,323
- more than five years	79,119,661	41,617,991	74,586,688	38,400,018
	186,001,762	147,003,677	157,400,010	122,933,341
	217,478,965	217,711,741	182,053,341	188,233,341

The bank term loans are denominated in RM.

Bank term loans of the Group amounting to RM35,425,624 (2022: RM29,478,400) are secured by legal charged over the freehold land, buildings and warehouses of a subsidiary company and guarantee by the Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**22. BANK TERM LOANS (CONT'D)**

The details of the bank term loans are as follows:

Principal amount RM	Monthly instalment RM	Commencing date	Interest rate per annum	Group		Company	
				2023 RM	2022 RM	2023 RM	2022 RM
14,000,000	116,667	29 March 2017	4.88% fixed rate	5,600,000	7,000,000	5,600,000	7,000,000
18,000,000	100,000	20 June 2017	4.93% fixed rate	11,100,000	12,300,000	11,100,000	12,300,000
50,000,000	833,333	7 July 2017	4.86% fixed rate	-	44,166,670	-	44,166,670
52,000,000	433,333	7 July 2017	4.99% fixed rate	42,466,674	45,933,338	42,466,674	45,933,338
10,000,000	55,556	17 August 2017	4.985% fixed rate	6,166,667	6,833,333	6,166,667	6,833,333
126,000,000	1,200,000	25 May 2018	5.46% fixed rate	57,600,000	72,000,000	57,600,000	72,000,000
60,000,000	293,333	1 April 2022	4.73% fixed rate	59,120,000	-	59,120,000	-
22,000,000	209,912	4 January 2010	BLR – 1.80%	8,327,108	10,005,597	-	-
7,089,000	54,593	1 December 2011	BLR – 2.00%	2,206,703	2,769,590	-	-
12,640,000	97,342	1 December 2011	BLR – 2.00%	6,185,850	7,103,590	-	-
1,500,000	11,522	4 January 2010	BLR – 2.00%	748,668	856,528	-	-
170,880	1,082	1 December 2015	BLR – 2.00%	127,545	134,176	-	-
166,680	1,056	1 December 2015	BLR – 2.00%	124,406	130,873	-	-
167,280	1,060	1 December 2015	BLR – 2.00%	124,849	131,344	-	-
167,880	1,063	1 December 2015	BLR – 2.00%	125,308	131,820	-	-
169,680	1,075	1 December 2015	BLR – 2.00%	126,635	133,224	-	-
170,280	1,079	1 December 2015	BLR – 2.00%	127,090	133,700	-	-
12,000,000	110,086	1 February 2017	BLR – 2.00%	6,928,111	7,947,958	-	-
8,000,000	81,734	1 August 2022	BLR – 1.80%	7,609,718	-	-	-
2,500,000	25,846	1 August 2022	BLR – 2.00%	2,377,182	-	-	-
300,000	3,074	1 August 2022	BLR – 2.00%	286,451	-	-	-
				217,478,965	217,711,741	182,053,341	188,233,341

\* BLR – Base Lending Rate

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**23. TRADE PAYABLES**

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
- RM	478,051,257	420,991,111	59,983,512	75,193,723
- Singapore Dollar	8,412	8,218	8,412	8,218
- Thai Baht	13,496	16,307	13,496	16,307
- US Dollar	634,793	695,918	634,793	695,918
- Japanese Yen	5,565	-	5,565	-
- Euro	34,050	62,150	34,050	62,150
- Others	1,827	-	1,827	-
	<b>478,749,400</b>	<b>421,773,704</b>	<b>60,681,655</b>	<b>75,976,316</b>

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

**24. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
- RM	62,399,310	60,077,746	44,662,202	46,543,866
- US Dollar	78,443	-	78,443	-
	<b>62,477,753</b>	<b>60,077,746</b>	<b>44,740,645</b>	<b>46,543,866</b>

**25. REVOLVING CREDIT**

The revolving credit of the Group and of the Company bear interest rate at 4.64% (2022: nil) per annum. The revolving credits have maturities of one year (2022: nil) and are unsecured.

**26. REVENUE**

The Group and the Company derive their 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 41.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 27. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Gross dividends from				
- subsidiary companies	-	-	3,150,000	3,150,000
- unquoted investments	36,600	36,600	36,600	36,600
Interest income	3,329,889	831,691	2,799,141	1,442,617
Fair value gain on short term investments	-	69,206	-	-
Gain on disposal of property, plant and equipment	269,099	1,167,713	180,892	985,084
Lease income from land and buildings	26,873	22,739	26,873	22,739
Gain on early termination of lease contracts	2,601	31,894	-	21,904
Realised gain on foreign exchange	163	-	-	-
Sundry income	569,125	1,676,779	1,031,590	786,521
Unrealised gain on foreign exchange	459,334	-	459,334	-
Government grant (see note (a))	11,480	830,970	-	-
Bad debts recovered	-	15,998	-	15,998
	4,705,164	4,683,590	7,684,430	6,461,463

Note (a):

During the financial year, the Group received government subsidies of RM11,480 (2022: RM830,970) in relation to the Wage Subsidy Programme under National Economic Recovery Plan initiated by the Government of Malaysia.

### 28. PROFIT FROM OPERATIONS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	393,168	286,736	176,578	120,610
- review of quarterly financial statements	-	86,655	-	86,655
- other assurance service	5,300	7,500	5,300	7,500
Allowance for doubtful debts	341,067	425,210	341,067	388,198
Depreciation of property, plant and equipment	30,753,500	28,956,092	18,423,578	17,151,604
Depreciation of right-of-use assets	16,165,650	16,242,926	8,094,761	8,059,353
Legal and professional fees	707,512	1,144,001	235,849	324,174
Property, plant and equipment written off	87,952	16,025,123	87,952	16,025,123
Realised loss on foreign exchange	1,340,072	311,074	1,336,633	311,074
Unrealised loss on foreign exchange	-	744,720	-	744,720
Lease expenses for short-term leases				
- land and buildings	23,383,398	10,841,684	26,006,992	12,186,566
- trucks	6,677,622	11,963,984	5,540,928	8,945,670
- forklifts	4,546,677	3,495,170	3,857,159	3,196,195
- office equipment	425,965	397,725	377,908	352,998

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**29. FINANCE COSTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:				
- bank term loans	10,926,879	11,571,426	9,450,784	10,460,936
- revolving credit	1,320,410	-	1,320,410	-
- hire purchase payables	146,397	42,155	-	-
- lease liabilities	841,264	1,325,372	259,151	493,221
- amount owing to corporate shareholder of subsidiary company	236,562	256,874	-	-
	<b>13,471,512</b>	<b>13,195,827</b>	<b>11,030,345</b>	<b>10,954,157</b>

**30. TAX EXPENSE**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysian tax based on results for the financial year				
- current	26,653,635	21,394,249	22,045,156	16,187,623
- deferred	1,817,412	(541,660)	1,977,739	474,082
	<b>28,471,047</b>	<b>20,852,589</b>	<b>24,022,895</b>	<b>16,661,705</b>
(Over)/Under provision in prior year				
- current	6,251	(364,893)	-	(310,169)
- deferred	(178,489)	(62,194)	(321,247)	233,148
	<b>(172,238)</b>	<b>(427,087)</b>	<b>(321,247)</b>	<b>(77,021)</b>
	<b>28,298,809</b>	<b>20,425,502</b>	<b>23,701,648</b>	<b>16,584,684</b>

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Accounting profit (excluding share of results in associated company and joint ventures)	119,712,162	86,975,651	108,720,040	75,444,265
Taxation at applicable statutory tax rate of 24%	28,730,919	20,874,156	26,092,810	18,106,624
Tax effects arising from:				
- non-deductible expenses	5,020,025	4,862,276	2,633,968	2,512,429
- non-taxable income	(1,641,455)	(1,659,890)	(769,104)	(764,784)
Utilisation of previously unrecognised deferred tax benefits	-	(31,389)	-	-
Unrecognised deferred tax benefits	296,337	-	-	-
Utilisation of investment tax allowance	(3,934,779)	(3,192,564)	(3,934,779)	(3,192,564)
Over provision in prior year	(172,238)	(427,087)	(321,247)	(77,021)
	<b>28,298,809</b>	<b>20,425,502</b>	<b>23,701,648</b>	<b>16,584,684</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 30. TAX EXPENSE (CONT'D)

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	4,653,061	4,157,046	-	-
Unabsorbed capital allowance	2,653,197	5,186,759	-	-
Temporary differences arose from				
- property, plant and equipment	(2,151,912)	(5,752,062)	-	-
- others	2,109,336	2,542,306	-	-
	7,263,682	6,134,049	-	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Expiring in year of assessment:				
2028	-	1,306,376	-	-
2029	1,482,469	1,591,832	-	-
2030	1,102,437	1,102,437	-	-
2032	156,401	156,401	-	-
2033	1,911,754	-	-	-
	4,653,061	4,157,046	-	-

Under the Malaysian Finance Act 2021 which was gazetted on 31 December 2021, the existing time limit for the Group and the Company to carry forward their 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.

### 31. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The basic and diluted earnings per share has been calculated by dividing the Group's profit for the financial year attributable to owners of the Company of RM90,797,933 (2022: RM65,249,760) by the number of ordinary shares issued of 800,000,000 (2022: 800,000,000).

Basic and diluted earnings per share are equal as the Company does not have any potential dilutive ordinary shares outstanding as at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**32. DIVIDENDS**

	2023 RM	2022 RM
<i>In respect of the financial year ended 31 March 2021:</i>		
- 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
- Single-tier dividend of 1.50 sen per ordinary share	12,000,000	-
	12,000,000	18,000,000

On 27 April 2023, the directors declared a single-tier final dividend of 3.50 sen per ordinary share amounting to RM28,000,000 in respect of the financial year ended 31 March 2023. The single-tier final dividend was paid on 26 May 2023.

**33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Aggregate cost of property, plant and equipment acquired (note 5)	99,371,126	48,128,370	83,669,464	39,290,940
Acquisition of property, plant and equipment through hire purchase	(2,065,240)	(2,266,115)	-	-
Unpaid balance included under other payables	(1,579,505)	(2,981,656)	(1,579,505)	(2,926,746)
Cash paid in respect of prior year acquisition	2,926,746	857,492	2,926,746	789,846
Deposits paid in prior years	(6,629,460)	(3,580,183)	-	(147,000)
Deposits paid in current financial year (note 15)	4,016,531	6,629,460	489,910	-
Total cash paid during the financial year	96,040,198	46,787,368	85,506,615	37,007,040

**34. EMPLOYEE BENEFITS EXPENSE**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Employee benefits expense	148,561,801	113,004,728	119,001,121	86,872,483

Included in the employee benefits expense are EPF contributions amounting to RM11,244,902 (2022: RM7,456,335) for the Group and RM8,575,553 (2022: RM4,986,342) for the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 35. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all directors of the Group, and certain members of senior management of the Group.

Other than those disclosed elsewhere in the financial statements, the significant related party transactions during the financial year were as follows:

	--- Transaction value ---		-- Balance outstanding --	
	Company		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<i>Transactions with subsidiary companies</i>				
Rental of trucks paid and payable	153,720	272,177	12,810	65,820
Labour charges paid and payable	1,925,013	34,944,780	110,831	9,117,643
Rental of premises paid and payables	6,026,991	6,592,907	386,050	4,743,285
Handling fees paid and payable	766,679	2,905,392	43,696	276,592
Related logistic services paid and payable	489,641	424,854	24,010	216,121
Handling fees received and receivable	1,445,835	643,116	750,244	195,130
Related logistics services received and receivable	4,319,491	3,286,954	412,619	537,733
Rental of trucks received and receivable	1,165,019	1,514,487	116,256	334,217
Interest received and receivable	1,219,899	1,048,166	210,704	229,402
Labour charges received and receivable	276,884	268,225	86,660	42,000
Rental of premises received and receivable	2,842,319	2,483,153	407,835	827,531
Sales of property, plant and equipment	-	60,000	-	-
Net repayment from subsidiary companies	14,063,159	2,402,628	(4,089,924)	10,550,492



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**35. RELATED PARTY DISCLOSURES (CONT'D)**

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>								
Related logistic services received and receivable	105,775,513	100,236,411	105,775,513	100,236,411	5,849,661	12,841,554	5,849,661	12,841,554
Related logistic services paid and payable	39,048,649	45,935,970	39,048,649	45,935,970	1,906,858	3,063,217	1,906,858	3,063,217
Management fee paid and payable	11,523,497	11,372,983	11,523,497	11,372,983	-	-	-	-
IT fees paid and payable	1,446,661	193,458	1,446,661	193,458	349,809	6,539	349,809	6,539
<i>Transactions with subsidiary companies of the ultimate holding company</i>								
Related logistic services received and receivable	174,766,451	239,486,970	174,766,451	239,486,970	11,141,120	50,672,916	11,141,120	50,672,916
Related logistic services paid and payable	286,191,865	219,832,193	286,191,865	219,832,193	15,546,899	21,705,851	15,546,899	21,705,851
IT fees paid and payable	1,263,214	2,426,764	1,263,214	2,426,764	46,450	152,038	46,450	152,038
<i>Transactions with associated company</i>								
Rental of premises paid and payables	752,400	752,400	752,400	752,400	940,500	940,500	940,500	940,500
<i>Transaction with joint venture company</i>								
Related logistic services received and receivable	193,362	194,567	-	23,030	619	16,219	619	619
<i>Transactions with corporate shareholder of subsidiary company</i>								
Repayment to corporate shareholder of subsidiary company	(372,000)	(372,000)	-	-	4,201,172	4,573,172	-	-
Interest paid and payable	236,562	256,874	-	-	90,497	98,510	-	-
<i>Transaction with a company related to significant shareholder and directors</i>								
Rental of premises paid and payable	1,225,230	1,225,230	1,225,230	1,225,230	33,818	33,818	33,818	33,818

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**36. KEY MANAGEMENT PERSONNEL COMPENSATION**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Directors</i>				
Directors' fee	204,000	204,000	204,000	204,000
Short-term employee benefits - salary, bonus and allowances	5,978,864	5,012,623	5,978,864	5,012,623
Post-employment benefits - EPF	684,523	568,874	684,523	568,874
	6,867,387	5,785,497	6,867,387	5,785,497
<i>Other key management personnel</i>				
Short-term employee benefits - salary, bonus and allowances	6,255,423	5,894,627	4,767,899	4,086,708
Post-employment benefits - EPF	688,674	631,544	499,574	400,648
	6,944,097	6,526,171	5,267,473	4,487,356
<b>Total compensation</b>	<b>13,811,484</b>	<b>12,311,668</b>	<b>12,134,860</b>	<b>10,272,853</b>

**37. OTHER COMMITMENTS**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<i>Authorised and contracted for:</i>				
- acquisition of property, plant and equipment	38,497,509	6,364,109	37,621,569	3,797,730
- construction of warehouse building	125,624,774	136,843,292	125,624,774	136,843,292
	164,122,283	143,207,401	163,246,343	140,641,022

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**38. FINANCIAL INSTRUMENTS**

## (a) Classification of financial instruments

	2023 RM	2022 RM
<b>Group</b>		
<b>Financial assets</b>		
<i>Amortised cost</i>		
Trade receivables	289,369,337	338,779,725
Other receivables *	13,101,894	12,729,906
Amount owing by immediate holding company	5,849,661	12,841,554
Amounts owing by related companies	11,141,120	50,672,916
Amount owing by associated company	174,800	50,000
Amount owing by a joint venture	619	16,219
Cash and bank balances	241,142,059	87,462,082
	<b>560,779,490</b>	<b>502,552,402</b>

*FVTOCI*

Other assets – unquoted shares	340,201	340,201
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\* Excluding prepayments, GST recoverable and deposits paid for the acquisition of property, plant and equipment.

	2023 RM	2022 RM
<b>Group</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
Trade payables	478,749,400	421,773,704
Other payables, deposits and accruals	62,477,753	60,077,746
Amount owing to immediate holding company	2,256,667	3,069,756
Amounts owing to related companies	15,593,349	21,891,707
Amount owing to associated company	940,500	940,500
Amount owing to corporate shareholder of subsidiary company	4,291,669	4,671,682
Lease liabilities	14,265,958	28,553,135
Hire purchase payables	2,888,015	1,957,108
Bank term loans	217,478,965	217,711,741
Revolving credit	44,000,000	-
	<b>842,942,276</b>	<b>760,647,079</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**38. FINANCIAL INSTRUMENTS (CONT'D)**

(a) Classification of financial instruments (Cont'd)

	2023 RM	2022 RM
<b>Company</b>		
<b>Financial assets</b>		
<i>Amortised cost</i>		
Trade receivables	135,267,523	200,524,796
Other receivables *	12,306,824	11,718,526
Amount owing by immediate holding company	5,849,661	12,841,554
Amounts owing by subsidiary companies	35,123,430	54,642,822
Amounts owing by related companies	11,141,120	50,672,916
Amount owing by associated company	174,800	50,000
Amount owing by a joint venture	619	619
Cash and bank balances	176,128,100	41,266,372
	<b>375,992,077</b>	<b>371,717,605</b>

*FVTOCI*

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

	2023 RM	2022 RM
<b>Company</b>		
<b>Financial liabilities</b>		
<i>Amortised cost</i>		
Trade payables	60,681,655	75,976,316
Other payables, deposits and accruals	44,740,645	46,543,866
Amount owing to immediate holding company	2,256,667	3,069,756
Amounts owing to subsidiary companies	37,806,433	56,345,778
Amounts owing to related companies	15,593,349	21,891,707
Amount owing to associated company	940,500	940,500
Lease liabilities	3,780,569	10,873,171
Bank term loans	182,053,341	188,233,341
Revolving credit	44,000,000	-
	<b>391,853,159</b>	<b>403,874,435</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**38. FINANCIAL INSTRUMENTS (CONT'D)**

## (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
<b>2023</b>				
Bank term loans	217,478,965	208,770,638	182,053,341	173,345,014
Revolving credit	44,000,000	11,380,994	44,000,000	11,380,994
<b>2022</b>				
Bank term loans	217,711,741	169,561,601	188,233,341	140,083,201

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.
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 are as follows:

	Level 1 RM	Level 2 RM	Total RM
<b>Financial assets</b>			
<b>Group</b>			
<b>2023</b>			
Other assets - unquoted shares	-	340,201	340,201
<b>2022</b>			
Other assets - unquoted shares	-	340,201	340,201

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments (Cont'd)

The Group's and the Company's financial instruments carried at fair value by level of fair value hierarchy in which the different levels have been defined are as follows (Cont'd):

	Level 1 RM	Level 2 RM	Total RM
<b>Financial assets</b>			
<b>Company</b>			
<b>2023</b>			
Other assets - unquoted shares	-	302,701	302,701
<b>2022</b>			
Other assets - unquoted shares	-	302,701	302,701

There is no financial instrument classified under level 3 of the fair value hierarchy.

During the financial year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2022: nil).

### 39. 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 and purchases 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	
	2023 RM	2022 RM	2023 RM	2022 RM
US Dollar	634,808	3,144,372	630,295	3,144,372
Singapore Dollar	234,284	5,295	233,688	5,295

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)***Foreign currency risk (Cont'd)*

The other foreign currencies 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 various borrowings.

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 after tax would have been RM134,617 (2022: RM112,018) 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### *Credit risk (Cont'd)*

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 RM58,575,624 (2022: RM10,150,000 and RM52,628,400) respectively.

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 financial year end, RM31.3 million or 11% (2022: RM50 million or 15%) of trade receivables is outstanding from 5 major customers.

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 credit risk exposure and ECL for receivables and contract assets which are trade in nature:

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
<b>Group</b>			
31 March 2023			
Not past due	470,679,027	895,632	469,783,395
Less than 30 days past due	60,272,064	164,192	60,107,872
Between 30 and 90 days past due	18,543,332	122,050	18,421,282
	549,494,423	1,181,874	548,312,549
Credit impaired:			
- more than 90 days past due	23,647,761	1,047,036	22,600,725
- individually impaired	1,309,235	584,010	725,225
	574,451,419	2,812,920	571,638,499
<u>Included under receivables and contract assets:</u>			
Contract assets	265,277,762	-	265,277,762
Trade receivables	292,182,257	2,812,920	289,369,337
Amount owing by immediate holding company	5,849,661	-	5,849,661
Amounts owing by related companies	11,141,120	-	11,141,120
Amount owing by joint venture	619	-	619
	574,451,419	2,812,920	571,638,499



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

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

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Carrying amount RM</b>
<b>Company</b>			
31 March 2023			
Not past due	108,431,376	509,190	107,922,186
Less than 30 days past due	27,744,258	162,537	27,581,721
Between 30 and 90 days past due	7,952,158	120,193	7,831,965
	<b>144,127,792</b>	<b>791,920</b>	<b>143,335,872</b>
Credit impaired:			
- more than 90 days past due	11,014,607	1,043,167	9,971,440
- individually impaired	1,167,491	442,266	725,225
	<b>156,309,890</b>	<b>2,277,353</b>	<b>154,032,537</b>
<b>Included under receivables:</b>			
Trade receivables	137,544,876	2,277,353	135,267,523
Amount owing by immediate holding company	5,849,661	-	5,849,661
Amounts owing by subsidiary companies	1,773,614	-	1,773,614
Amounts owing by related companies	11,141,120	-	11,141,120
Amount owing by joint venture	619	-	619
	<b>156,309,890</b>	<b>2,277,353</b>	<b>154,032,537</b>
<b>Group</b>			
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
	<b>597,543,474</b>	<b>1,084,869</b>	<b>596,458,605</b>
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
	<b>616,661,628</b>	<b>2,471,853</b>	<b>614,189,775</b>
<b>Included under receivables and contract assets:</b>			
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
	<b>616,661,628</b>	<b>2,471,853</b>	<b>614,189,775</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

	Gross carrying amount RM	Loss allowance RM	Carrying amount RM
<b>Company</b>			
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
<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
	267,912,782	1,936,286	265,976,496

For other receivables and other financial assets (including cash and balances, 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

*Receivables that are neither past due nor impaired (Cont'd)*

The movements in the allowance for impairment losses of trade in nature receivables during the financial year were:

	Group RM	Company RM
<b>2023</b>		
At 1 April 2022	2,471,853	1,936,286
Additions of allowance for doubtful debts	341,067	341,067
Write off	-	-
At 31 March 2023	2,812,920	2,277,353
<b>2022</b>		
At 1 April 2021	2,061,274	1,548,088
Additions of allowance for doubtful debts	425,210	388,198
Write off	(14,631)	-
At 31 March 2022	2,471,853	1,936,286

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 and cash flow risks 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

*Liquidity and cash flow risks (Cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at 31 March based on the contractual undiscounted cash flows.

2023	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>				
Trade payables	478,749,400	-	-	478,749,400
Other payables, deposits and accruals	62,477,753	-	-	62,477,753
Amount owing to immediate holding company	2,256,667	-	-	2,256,667
Amounts owing to related companies	15,593,349	-	-	15,593,349
Amount owing to associated company	940,500	-	-	940,500
Amount owing to corporate shareholder of subsidiary company	679,321	2,150,243	2,725,407	5,554,971
Lease liabilities	12,282,455	2,357,044	41,371	14,680,870
Hire purchase payables	1,566,024	1,499,998	-	3,066,022
Bank term loans	33,009,756	112,081,550	83,033,653	228,124,959
Revolving credit	46,041,600	-	-	46,041,600
<b>Total undiscounted financial liabilities</b>	<b>653,596,825</b>	<b>118,088,835</b>	<b>85,800,431</b>	<b>857,486,091</b>
Financial guarantee contracts *	10,654,963	-	-	10,654,963
<b>Company</b>				
Trade payables	60,681,655	-	-	60,681,655
Other payables, deposits and accruals	44,740,645	-	-	44,740,645
Amount owing to immediate holding company	2,256,667	-	-	2,256,667
Amounts owing to subsidiary companies	37,806,433	-	-	37,806,433
Amounts owing to related companies	15,593,349	-	-	15,593,349
Amount owing to associated company	940,500	-	-	940,500
Lease liabilities	3,724,087	102,572	-	3,826,659
Bank term loans	25,879,833	86,933,285	78,297,376	191,110,494
Revolving credit	46,041,600	-	-	46,041,600
<b>Total undiscounted financial liabilities</b>	<b>237,664,769</b>	<b>87,035,857</b>	<b>78,297,376</b>	<b>402,998,002</b>
Financial guarantee contracts *	31,431,636	25,148,265	4,736,277	61,316,178

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

*Liquidity and cash flow risks (Cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at 31 March based on the contractual undiscounted cash flows.

2022	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
<b>Group</b>				
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
<b>Total undiscounted financial liabilities</b>	<b>600,357,222</b>	<b>125,504,103</b>	<b>46,499,750</b>	<b>772,361,075</b>
Financial guarantee contracts *	10,502,297	-	-	10,502,297
<b>Company</b>				
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
<b>Total undiscounted financial liabilities</b>	<b>281,129,366</b>	<b>91,987,927</b>	<b>40,308,773</b>	<b>413,426,066</b>
Financial guarantee contracts *	29,361,579	20,852,363	3,217,973	53,431,915

\* The management determined the fair value of the above financial guarantees to be not significant at their initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**40. 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 2023 and 31 March 2022 were as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Share capital	100,801,317	100,801,317
Reserves	494,864,176	416,048,483
<b>Total equity</b>	<b>595,665,493</b>	<b>516,849,800</b>
Amount owing to corporate shareholder of subsidiary company	4,291,669	4,671,682
Bank term loans	217,478,965	217,711,741
Lease liabilities	14,265,958	28,553,135
Hire purchase payables	2,888,015	1,957,108
Revolving credit	44,000,000	-
<b>Total debt</b>	<b>282,924,607</b>	<b>252,893,666</b>
<b>Total debt to equity ratio (times)</b>	<b>0.47</b>	<b>0.49</b>

**41. 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  |
| (v) Cold Supply Chain Division (“CSC”)         | - Cold supply chain   |
| (vi) Supply Chain Solution Division (“SCS”)*   | - Origin management, lead logistics provider and e-commerce       |

\* SCS division was previously classified and reported in OFF division, and now to be reported as a division by itself.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**41. SEGMENTAL ANALYSIS (CONT'D)**

## (a) Primary reporting format - business segment (Cont'd)

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.

<b>2023</b>	<b>AFF</b>	<b>CLD</b>	<b>TD</b>	<b>OFF</b>	<b>CSC</b>	<b>SCS</b>	<b>Consolidated</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>REVENUE</b>							
External sales	485,774,615	545,720,056	101,859,483	287,415,101	155,257,383	30,806,883	1,606,833,521
Represented by:							
<i>Revenue recognised at a point of time</i>	485,774,615	113,761,272	-	287,415,101	101,618,974	14,215,711	1,002,785,673
<i>Revenue recognised over time</i>	-	431,958,784	101,859,483	-	53,638,409	16,591,172	604,047,848
Consolidated revenue	485,774,615	545,720,056	101,859,483	287,415,101	155,257,383	30,806,883	1,606,833,521
Segment results	41,320,637	49,787,543	6,595,605	15,637,090	10,430,979	4,050,681	127,822,535
Unallocated corporate income	-	-	-	-	-	-	5,361,139
Profit from operations	-	-	-	-	-	-	133,183,674
Share of results of associated company and joint ventures	-	-	-	-	-	-	845,889
Finance costs	-	-	-	-	-	-	(13,471,512)
Profit before tax	-	-	-	-	-	-	120,558,051
Tax expense	-	-	-	-	-	-	(28,298,809)
Profit for the financial year	-	-	-	-	-	-	92,259,242

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**41. SEGMENTAL ANALYSIS (CONT'D)**

(a) Primary reporting format - business segment (Cont'd)

2023	AFF RM	CLD RM	TD RM	OFF RM	CSC RM	SCS RM	Consolidated RM
Included in operating profit:							
Depreciation of property, plant and equipment	-	-	-	-	-	-	30,753,500
Depreciation of right-of-use assets	-	-	-	-	-	-	16,165,650
Allowance for doubtful debts	-	-	-	-	-	-	341,067
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	(269,099)
Property, plant and equipment written off	-	-	-	-	-	-	87,952
Unrealised gain on foreign exchange (net)	-	-	-	-	-	-	(459,334)
Gain on early termination of lease contracts	-	-	-	-	-	-	(2,601)
<b>2022</b>							
<b>REVENUE</b>							
External sales	512,656,903	428,579,320	84,619,664	302,197,281	135,848,304	17,511,074	1,481,412,546
Represented by:							
<i>Revenue recognised at a point of time</i>	512,656,903	95,067,534	-	302,197,281	88,287,313	11,236,831	1,009,445,862
<i>Revenue recognised over time</i>	-	333,511,786	84,619,664	-	47,560,991	6,274,243	471,966,684
Consolidated revenue	512,656,903	428,579,320	84,619,664	302,197,281	135,848,304	17,511,074	1,481,412,546



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**41. SEGMENTAL ANALYSIS (CONT'D)**

(a) Primary reporting format - business segment (Cont'd)

<b>2022</b>	<b>AFF RM</b>	<b>CLD RM</b>	<b>TD RM</b>	<b>OFF RM</b>	<b>CSC RM</b>	<b>SCS RM</b>	<b>Consolidated RM</b>
Segment results	47,671,645	45,526,583	630,801	13,245,962	11,877,755	1,395,950	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
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)

RM217.9 million or 13.6% (2022: RM156.16 million or 10.5%) of the Group's revenue arising from a single customer.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**41. SEGMENTAL ANALYSIS (CONT'D)**

- (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.

**42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

There is no significant event occurs during the financial year.

In financial year 2022:

- (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 2022.

- (ii) During the financial year 2022, the Company had started the expansion plan by demolishing an old single-storey warehouse block at Shah Alam Logistics Centre ("SALC"). The demolition had 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 storey 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.

**43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue on by the board of directors on 29 May 2023.

**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 129 to 204 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 2023 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

Date: 29 May 2023

**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 129 to 204 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 29 May 2023

**TAN KIM YONG**  
Chartered Accountant  
MIA No: 8219

Before me:

**HJ. WAN AZMAN B.**  
**HJ. WAN ABDULLAH**  
No. W728  
Commissioner of Oath

LIST OF PROPERTIES

No.	Location	Description	Existing Use	Tenure of land/Date of expiry of lease	Land Area/ Built up Area (sq. m)	Approximate Age of Properties	Date Acquired	Net Book value 31.03.2023 (RM'000)
1.	Westport Lot No. PT 128571, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 54,807 Built-up - 30,907	16 years	1-Jun-18	123,841
	Lot No. PT 128572, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 35,838		1-Jun-18	
	Lot No. PT 128573, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 17,481		1-Jun-18	
	Lot No. PT 128574, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 20,149 Built-up - 6,770	15 years	1-Jun-18	
	Lot No. PT 128575, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land 13,038 Built-up - 532	16 years	1-Jun-18	
	Lot No. PT 128576, Jalan Perigi Nenas 7/2 Taman Perindustri Pulau Indah (Westport) 42920 Pelabuhan Klang, Selangor	Industrial Land	Westport Logistics Centre	Leasehold 99 years expiring 24.02.2097	Land - 18,622		1-Jun-18	
2.	Shah Alam No. 1, Jalan Sungai Kayu Ara 32/37 Berjaya Industrial Park, Section 32 40460 Shah Alam, Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,841 Built-up - 10,728	9 years	12-Jul-17	102,355
	No. 3, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam, Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 5,429	20 years	12-Jul-17	
	No. 4, Jalan Sungai Kayu Ara 32/39 Berjaya Industrial Park, Section 32 40460 Shah Alam, Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,860 Built-up - 4,949	17 years	12-Jul-17	
	No. 5, Jalan Sungai Kayu Ara 32/40 Berjaya Industrial Park, Section 32 40460 Shah Alam, Selangor	Industrial Land	Berjaya Industrial Logistics Centre	Freehold	Land - 7,518 Built-up - 10,437	14 years	12-Jul-17	
3.	Shah Alam Lot No. 1A, Persiran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam, Selangor	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre  Warehouse F Warehouse E	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 26,718	34 years	30-Jun-09	49,707
4.	Port of Tanjung Pelepas Plot D28E, Distripark B Pelepas Free Trade Zone Port of Tanjung Pelepas, Johor	Industrial Land	Tanjung Pelepas Logistics Centre	Leasehold 60 years expiring 23.03.2055	Land - 20,233 Built-up - 20,919	8 years	19-Mar-12	30,650

## LIST OF PROPERTIES

No.	Location	Description	Existing Use	Tenure of land/Date of expiry of lease	Land Area/ Built up Area (sq. m)	Approximate Age of Properties	Date Acquired	Net Book value 31.03.2023 (RM'000)
5.	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi, Selangor	Industrial Land	Bangi Logistics Centre III Bangi Logistics Centre II	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119 Built-up - 19,584	15 years 12 years	25-May-04	24,224
	Bandar Baru Bangi 43650 Bandar Baru Bangi, Selangor	Industrial Land	Access road	Leasehold 99 years expiring 19.08.2098	Land - 450	N/A	25-May-04	75
6.	Port Klang Lot 15728, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land	Warehouse	Leasehold 60 years expiring 15.05.2029	Land - 25,114 Built-up - 17,057	31 years	8-Jul-20	27,821
	Lot 506, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 60 years expiring 18.06.2034	Land - 16,592 Built-up - 8,417	45 years	8-Jul-20	
	Lot 507, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 60 years expiring 18.06.2034	Land - 18,210 Built-up - 8,895	45 years	8-Jul-20	
	Lot 9998, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 60 years expiring 07.09.2082	Land - 2,287	51 years	24-Aug-20	
	Lot 73156, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 99 years expiring 11.10.2099	Land - 2,578		24-Aug-20	
	Lot 73157, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 99 years expiring 11.10.2099	Land - 493		24-Aug-20	
	Lot 73158, Jalan Pelabuhan Utara Bandar Sultan Suleiman Pelabuhan Klang, Selangor.	Industrial Land		Leasehold 99 years expiring 11.10.2099	Land - 955		24-Aug-20	
7.	Port Klang Lot 2, Solok Sultan Hishamuddin 10 Kawasan Perindustrian Selat Klang Utara 42000 Port Klang, Selangor	Industrial Land	Port Klang Container Depot	Leasehold 99 years expiring 09.06.2086	Land - 24,068 Built-up - 57.6	22 years	2-Feb-18	13,702
8.	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai, Pulau Pinang	Industrial Land	Penang Prai Logistics Centre	Leasehold 99 years expiring 23.10.2110	Land - 20,639 Built-up - 9,282	31 years	18-Jun-08	11,220
9.	Port Klang Lot 22 Lengkungan Sultan Hishamuddin North Klang Straits Industrial Estate Mukim Kapar, Kawasan 20 40000 Port Klang, Selangor	Industrial Land	Port Klang Logistics Centre	Leasehold 99 years expiring 09.06.2086	Land - 29,509 Built-up - 17,078	31 years	19-Feb-08	9,034
10.	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas, Pulau Pinang	Industrial Land	Penang Air Freight Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	15 years	4-Jun-08	5,804

## ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Class of Shares	:	Ordinary Shares
Issued Share Capital	:	800,000,000
Voting Rights	:	One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	36	581	0.00
100 to 1,000 shares	648	450,524	0.06
1,001 to 10,000 shares	2,883	15,118,669	1.89
10,001 to 100,000 shares	1,580	52,885,723	6.61
100,001 to less than 5% of issued shares	268	730,744,503	91.34
5% and above issued shares	3	800,000	0.10
<b>Total</b>	<b>5,418</b>	<b>800,000,000</b>	<b>100.00</b>

### LIST OF 30 LARGEST SHAREHOLDERS

Name of Shareholders	No. of shares	%
1 Yusen Logistics (Singapore) Pte Ltd	145,841,928	18.23
2 Yusen Logistics Co., Ltd	144,078,544	18.01
3 Yusen Logistics Co., Ltd	59,039,768	7.38
4 Nippon Yusen Kabushiki Kaisha	52,716,728	6.59
5 Real Fortune Portfolio Sdn Bhd	32,500,000	4.06
6 CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Real Fortune Portfolio Sdn Bhd (PB)	30,643,504	3.83
7 Nippon Yusen Kabushiki Kaisha	24,000,000	3.00
8 Yusen Logistics (Singapore) Pte Ltd	24,000,000	3.00
9 Yusen Logistics Co., Ltd	24,000,000	3.00
10 Yusen Logistics Co., Ltd	24,000,000	3.00
11 Yusen Logistics (Singapore) Pte Ltd	22,079,528	2.76
12 Real Fortune Portfolio Sdn Bhd	16,000,000	2.00
13 Citigroup Nominees (Tempatan) Sdn Bhd Employee Provident Fund Board	9,331,400	1.17
14 Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund	6,422,600	0.80
15 Lembaga Tabung Angkatan Tentera	6,014,800	0.75
16 Tokio Marine Life Insurance Malaysia Bhd As Beneficial Owner	5,765,000	0.72
17 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pertubuhan Keselamatan Social	5,000,000	0.63
18 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Eastpring Investments Small-Cap Fund	4,510,500	0.56
19 RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Siao Choon Ping	4,303,500	0.54
20 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (EastpringESG)	3,220,000	0.40
21 Maybank Nominees (Tempatan) Sdn Bhd Medical Fund	3,069,200	0.38

## ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2023

### LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of shares	%
22 Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Bakat Impian Sdn Bhd	2,523,700	0.32
23 Tajukon Sdn Bhd	2,200,000	0.28
24 Ong Ee Nah	2,000,000	0.25
25 Yeo Khee Huat	2,000,000	0.25
26 Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	1,829,800	0.23
27 Sow Tiap	1,792,000	0.22
28 Universal Trustee (Malaysia) Berhad KAF Tactical Fund	1,700,000	0.21
29 Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for KAF Vision Fund	1,388,800	0.17
30 Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Takaful Berhad	1,377,500	0.17
<b>Total</b>	<b>663,348,800</b>	<b>82.91</b>

### SUBSTANTIAL SHAREHOLDERS

The details of the substantial shareholders of our Company and their respective shareholdings in our Company as per the Register of Substantial Shareholders are as follows:

Name of Substantial Shareholders	Direct Interest	%	Indirect Interest	%
1 Yusen Logistics Co., Ltd.	251,118,312	31.39	191,921,456 <sup>1</sup>	23.99
2 Yusen Logistics (Singapore) Pte Ltd	191,921,456	23.99	-	-
3 Nippon Yusen Kabushiki Kaisha	76,716,728	9.59	443,039,768 <sup>2</sup>	55.38
4 Real Fortune Portfolio Sdn Bhd	79,143,504	9.89	-	-
5 Lee Check Poh	-	-	79,143,504 <sup>3</sup>	9.89

### DIRECTORS' SHAREHOLDINGS

In accordance with the Register of Directors' Shareholdings, the Directors' direct and indirect interests in share in the Company are as follows:

Name of Directors	Direct Interest	%	Indirect Interest	%
1 Lee Check Poh	-	-	79,143,504 <sup>3</sup>	9.89
2 Lim Jew Kiat	480,000	0.06	-	-
3 Tan Kim Yong	240,000	0.03	-	-
4 Lee Wan Kai	80,000	0.01	-	-

<sup>1</sup> Deemed interested by virtue of its equity interest in Yusen Logistics (Singapore) Pte Ltd pursuant to Section 8 of the Act,

<sup>2</sup> Deemed interested by virtue of its subsidiaries companies, Yusen Logistics Co., Ltd and Yusen Logistics (Singapore) Pte Ltd's equity interest in our Company pursuant to Section 8 of the Act

<sup>3</sup> Deemed interested by virtue of his equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 8 of the Act

**SUBSIDIARY AND ASSOCIATED COMPANIES**

**SUBSIDIARY COMPANIES**

	Country	Group Effective Interest		Principal Activities
		31.03.2023	31.03.2022	
Baik Sepakat Sdn Bhd	Malaysia	100	100	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	Malaysia	100	100	Truck rental and provision of other related logistics services
Emulsi Teknik Sdn Bhd	Malaysia	100	100	Truck rental and logistics services
Maya Kekal Sdn Bhd	Malaysia	100	100	Trading and warehousing
Precious Fortunes Sdn Bhd	Malaysia	100	100	Warehousing
Titian Pelangi Sdn Bhd	Malaysia	100	100	Warehousing
TASCO Yusen Gold Cold Sdn Bhd	Malaysia	70	70	Investment holding
Meriah Selalu Sdn Bhd	Malaysia	100	100	Operating container depot and providing services of storing, handling, cleaning and repairing of containers
Omega Saujana Sdn Bhd	Malaysia	51	51	Freight forwarding services
Piala Kristal (M) Sdn Bhd	Malaysia	51	51	Freight forwarding services

**SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD**

Gold Cold Integrated Logistics Sdn Bhd	Malaysia	100	100	Transportation, cold room storage facilities, repackaging and value added facilities services
Gold Cold Solutions Sdn Bhd	Malaysia	100	100	Logistics services, transportation, warehousing distribution and marketing of goods
Gold Cold Transport Sdn Bhd	Malaysia	100	100	Transportation, provision of cold room facilities, repackaging and value added facilities services



**SUBSIDIARY AND ASSOCIATED COMPANIES****SUBSIDIARY COMPANIES (CONT'D)**

	Country	Group Effective Interest		Principal Activities
		31.03.2023 %	31.03.2022 %	
<b>SUBSIDIARY OF TASCO YUSEN GOLD COLD SDN BHD (CONT'D)</b>				
GC Logistics Sdn Bhd	Malaysia	100	100	Transportation, cold room storage facilities, repackaging and value added facilities services
<b>JOINT VENTURE COMPANY OF TASCO YUSEN GOLD COLD SDN BHD</b>				
Hypercold Logistics Sdn Bhd	Malaysia	50	50	Forwarding, logistics, chilled and frozen storage, transportation of goods and a distributor of all kind of foods
<b>ASSOCIATED COMPANY</b>				
Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Letting of property
<b>JOINT VENTURE COMPANY</b>				
YLTC Sdn Bhd	Malaysia	40	40	Trading, distribution and logistics

## NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Forty-Eighth Annual General Meeting (“**AGM**”) of TASCO Berhad (“**Company**”) will be conducted entirely on a virtual basis at a venue in Malaysia where the Chairman of the meeting is present through live streaming and online remote voting via Remote Participation and Electronic Voting Facilities to be provided by SS E Solutions Sdn Bhd via Securities Services e-Portals platform at <https://sshbsb.net.my/> on Thursday, 7 September 2023 at 3.00 p.m. to transact the following businesses: -

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 and the Reports of Directors and Auditors thereon. *Please refer to Explanatory Note A*
  
2. To approve the payment of the following Directors’ remuneration by the Company:
  - (a) To approve the payment of Directors’ fees of RM300,000 for the period from 8 September 2023 until the next Annual General Meeting of the Company. *Ordinary Resolution 1*
  
  - (b) To approve the payment of Directors’ benefits (excluding Directors’ fees) to the Non-Executive Directors up to an amount of RM30,000 from 8 September 2023 until the next Annual General Meeting of the Company. *Ordinary Resolution 2*
  
3. To re-elect the following Directors who retire pursuant to Clause 79 of the Company’s Constitution: -
  - 3.1 Mr. Lee Wan Kai *Ordinary Resolution 3*
  - 3.2 Mr. Tan Kim Yong *Ordinary Resolution 4*
  
4. To re-elect the following Directors who retire pursuant to Clause 84 of the Company’s Constitution: -
  - 4.1 Mr. Ong Heng Kah *Ordinary Resolution 5*
  - 4.2 Mr. David Dev Peter *Ordinary Resolution 6*
  
5. To appoint Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 7*
  
6. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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

“**THAT** pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 28 July 2023 which are necessary for the Company’s and its subsidiaries’ day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company. *Ordinary Resolution 8*

**NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING**

**AND THAT** such approval shall continue to be in force until: -

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(1) of the Companies Act 2016 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340(2) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a revenue or trading nature.”

#### **7. AUTHORITY TO ALLOT SHARES**

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

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

**Ordinary Resolution 9**

AND THAT pursuant to Clause 49 of the Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Companies Act 2016 be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company.”

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

BY ORDER OF THE BOARD

**KANG SHEW MENG (CCM PC 201908002065)**  
**SEOW FEI SAN (CCM PC 201908002299)**  
 Secretaries

Petaling Jaya  
 Dated: 28 July 2023

## NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING

### Notes:

1. The 48th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting (“RPEV”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal’s platform at <https://sshbsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely.
2. With the RPEV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the AGM.

As guided by the Securities Commission Malaysia’s Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression.

Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within Securities Services e-Portal’s platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my) during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. Only depositors whose name appears in the Record of Depositors as at 30 August 2023 shall be regarded as members and entitled to participate, speak and vote at the AGM.
4. A member entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to participate, speak and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy.
5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM, as follows:

#### (a) In hard copy form

The original instrument appointing a proxy (“**Proxy Form**”) and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

#### (b) By electronic means

The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Securities Services e-Portal at <https://sshbsb.net.my/> or to be submitted via fax at +603 2094 9900 or +603 2095 0292 or email to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my). Please follow the procedures in the Administrative Guide for the AGM in order to deposit the Proxy Form(s) electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to [eservices@sshbsb.com.my](mailto:eservices@sshbsb.com.my) to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolutions set out in the Notice of AGM will be put to vote by way of poll.

**NOTICE OF FORTY-EIGHTH ANNUAL GENERAL MEETING**

## 10. Explanatory Notes:

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

**Ordinary Resolutions 1 and 2****Proposed Payment of Directors' Fees****Proposed Payment of Directors' Benefits to Non-Executive Directors**

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

- Ordinary Resolution 1 on payment of Directors' fees for the period from 8 September 2023 until the next AGM of the Company; and
- Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 8 September 2023 until the next AGM of the Company.

The Directors' benefits of the Company which is estimated not to exceed RM30,000 is basically the meeting allowances for Board/Board Committee meetings attended/to be attended for the period from 8 September 2023 until the conclusion of the next AGM. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' fees and benefits paid to the Independent Non-Executive Directors are disclosed in the Company's Corporate Governance Overview Statement as contained in the Annual Report 2023.

**Ordinary Resolution 8****Proposed Shareholders' Mandate for Recurrent Transactions**

The proposed Ordinary Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

**Ordinary Resolution 9****Authority to Allot Shares**

At last year's Annual General Meeting, mandate was given to Directors to allot no more than 10% of the issued share capital of the Company. However, the mandate was not utilised and accordingly will lapse at the forthcoming Annual General Meeting. As such, the Board would like to seek for a renewal of the mandate.

The proposed Ordinary Resolution 9 if passed, will:

- a) empower the Directors of the Company, from the date of the above AGM to allot and issue not more than 10% of the total number of issued shares of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company; and
- b) give direction to the Directors of the Company to offer and issue new shares pursuant to the authority granted under Ordinary Resolution 9 to any such persons without first to offer the new shares to the existing members of the Company in proportion to their shareholding.

The authorisation, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

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

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**PROXY FORM**

No. of Shares held

**TASCO Berhad**  
(Registration No. 197401003124 (20218-T))  
(Incorporated in Malaysia)

I/We \_\_\_\_\_ NRIC/Co. No. \_\_\_\_\_  
*(Please Use Block Capitals)*

of \_\_\_\_\_  
*(Full Address)*

being a member/members of **TASCO BERHAD** hereby appoint: \_\_\_\_\_

\_\_\_\_\_ *(Full Name)*

of \_\_\_\_\_  
*(Full Address)*

or failing him/her \_\_\_\_\_  
*(Full Name)*

of \_\_\_\_\_  
*(Full Address)*

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Forty-Eighth Annual General Meeting (“**AGM**”) of TASCO Berhad (“**Company**”) which will be conducted entirely on a virtual basis at a venue in Malaysia where the Chairman of the meeting is present through live streaming and online remote voting via Remote Participation and Electronic Voting Facilities to be provided by SS E Solutions Sdn Bhd via Securities Services e-Portals platform at <https://sshsb.net.my/> on Thursday, 7 September 2023 at 3.00 p.m. and at any adjournment thereof and to vote as indicated below.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an “X” in the appropriate places. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his discretion, as he will on any other matter arising at the Meeting.

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		

Dated:

\_\_\_\_\_  
Signature/Common Seal of Shareholder (s)

Fold this flap for sealing

Notes:-

1. The 48th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate, speak and vote remotely.

2. With the RPEV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the AGM.

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3. Only depositors whose name appears in the Record of Depositors as at 30 August 2023 shall be regarded as members and entitled to participate, speak and vote at the AGM.

4. A member entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to participate, speak and vote in his stead. A proxy need not be a member of the Company and a member may appoint any persons to be his proxy.

5. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2)

proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM, as follows:

(a) In hard copy form

The original instrument appointing a proxy ("Proxy Form") and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of Share Registrar at Level 7, Menara Milenium, Jalan Damaniela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

(b) By electronic means

The Proxy Form can also be lodged electronically with the Share Registrar of the Company through Securities Services e-Portal at <https://sshsb.net.my/> or to be submitted via fax at +603 2094 9900 or +603 2095 0292 or email to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my). Please follow the procedures in the Administrative Guide for the AGM in order to deposit the Proxy Form(s) electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolutions set out in the Notice of AGM will be put to vote by way of poll.

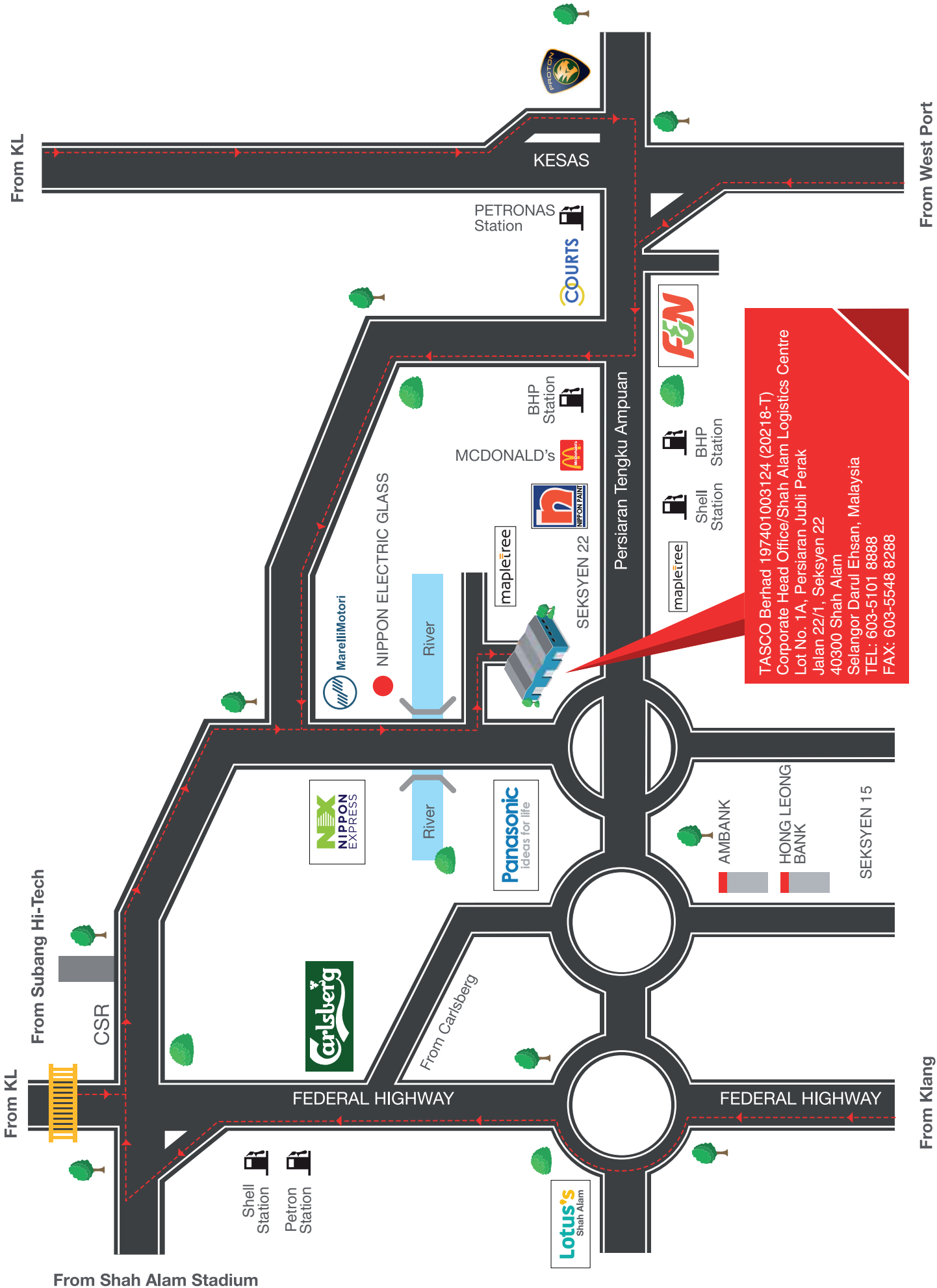
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**TASCO BERHAD**  
**Registration No. 197401003124 (20218-T)**  
**C/O SECURITIES SERVICES (HOLDINGS) SDN. BHD.**  
**LEVEL 7, MENARA MILENIUM,**  
**JALAN DAMANLELA,**  
**PUSAT BANDAR DAMANSARA,**  
**DAMANSARA HEIGHTS,**  
**50490 KUALA LUMPUR**

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TASCO Berhad 197401003124 (20218-T)  
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 Lot No. 1A, Persiaran Jubli Perak  
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 FAX: 603-5548 8288

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