

TASHIN

TASHIN HOLDINGS BERHAD
201701028709 (1242878-H)

ANNUAL REPORT 2022



COMMIT TO
EXCELLENCE

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COMMIT TO EXCELLENCE

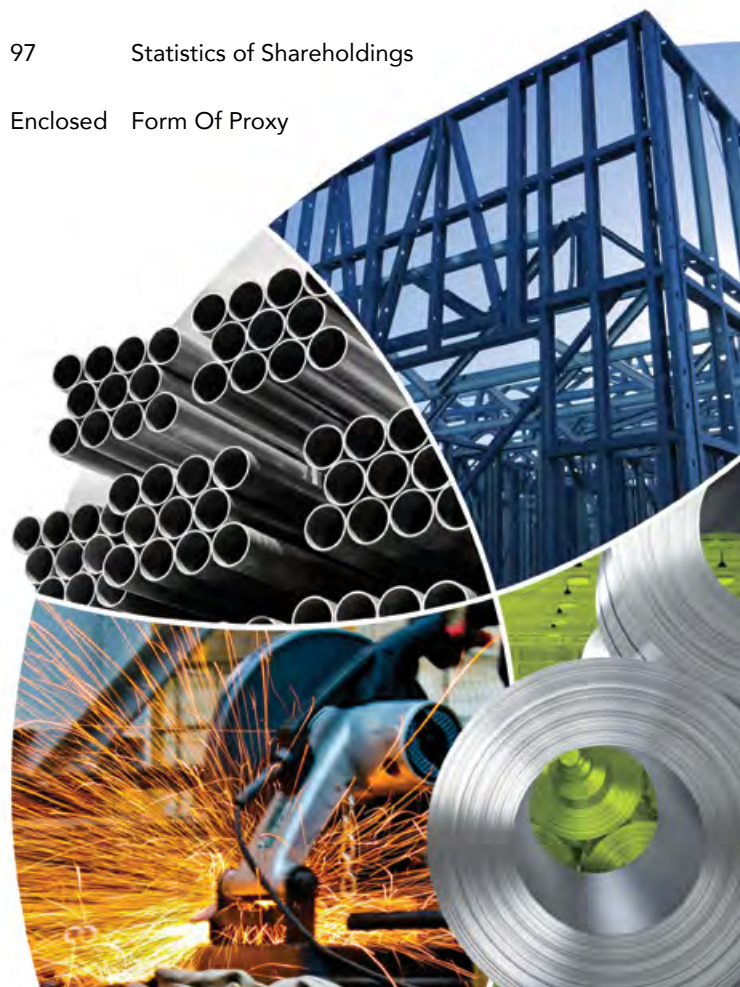
Committed to reach greater position, we strengthen our manufacturing capabilities and expand trading greater than ever. We care for meticulous quality while providing competitive prices to our customers, allowing us to steadily progress and grow towards excellence.

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NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting (“6th AGM” or “Meeting”) of Tashin Holdings Berhad (“the Company”) will be held on a virtual basis at the Broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 8 June 2023 at 10:00 a.m. for the following purposes:-



AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and the Auditors thereon. *(Please refer to item (1) of the Explanatory Notes to Ordinary Business)*
2. To approve the payment of a single-tier final dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2022. *(Resolution 1)*
3. To approve the payment of Directors’ fees amounting to RM313,000.00 for the financial year ended 31 December 2022. *(Resolution 2)*
4. To approve an amount of up to RM40,000.00 as benefits payable to the Directors from 9 June 2023 until the next Annual General Meeting of the Company to be held in year 2024. *(Resolution 3)*
5. To re-elect the following Directors who are retiring pursuant to Clause 165 of the Company’s Constitution, and being eligible, have offered themselves for re-election:
 - (a) Dato’ Kalsom binti Abd. Rahman; *(Resolution 4)*
 - (b) Mr. Lim Choon Teik; and *(Resolution 5)*
 - (c) Ir. Tan Tiong Ben. *(Resolution 6)*
6. To re-appoint BDO PLT as the Company’s External Auditors until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. *(Resolution 7)*
7. As Special Businesses:

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary and special resolutions:

 - (a) **ORDINARY RESOLUTION 1**
 - **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016**

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company and the approvals of Bursa Malaysia Securities Berhad and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby empowered, pursuant to the Companies Act 2016, to issue and allot shares in the Company, at any time, at such price, to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad;

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 31 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.” *(Resolution 8)*

7 As Special Businesses: (Cont'd)

To consider and, if thought fit, with or without any modification, to pass the following resolutions which will be proposed as ordinary and special resolutions: (Cont'd)

(b) ORDINARY RESOLUTION 2

- **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT subject to the provisions of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into the existing recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**") as described in the circular to shareholders dated 28 April 2023 with the related parties mentioned therein subject further to the following:

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on normal commercial terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company; and
- (ii) disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

AND THAT the authority conferred by such mandate upon the passing of this ordinary resolution shall continue to be in force until:-

- (a) the conclusion of the first Annual General Meeting ("**AGM**") of the Company following the general meeting at which such mandate was passed, at which time it will lapse unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

(Resolution 9)

(c) SPECIAL RESOLUTION

- **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**

"THAT approval be and is hereby given for the Company to enhance the interpretations under Clause 1 and to amend its existing Clause 165A in the form and manner as set out in Appendix I of the Annual Report 2022;

AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by any relevant authorities and to do all acts and take all such steps as may be considered necessary to give effect to the foregoing."

(Resolution 10)

8. To transact any other ordinary business for which due notice has been given.



NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2022, if approved by shareholders of the Company, will be payable on 14 July 2023 to shareholders of the Company whose names appear in the Record of Depositors on 23 June 2023.

A depositor shall qualify for entitlement to the dividend only in respect of:

- a) Securities transferred into the depositor's securities account before 4:30 p.m. on 23 June 2023 in respect of ordinary transfers; and
- b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Chua Siew Chuan (SSM PC No. 201908002648) (MAICSA No.: 0777689)
Chin Mun Yee (SSM PC No. 201908002785) (MAICSA No.: 7019243)
Company Secretaries

Kuala Lumpur
28 April 2023

Explanatory Notes to Ordinary Business:

1. Audited Financial Statements for the financial year ended 31 December 2022

Agenda item no. 1 is meant for discussion only, as the provisions of Section 340(1)(a) of the Companies Act 2016 do not require the formal approval of the shareholders of the Company for the Audited Financial Statements for the financial year ended 31 December 2022. Hence, this Agenda item is not put forward for voting.

2. Resolutions 4 to 6 – Re-election of Directors who retire by rotation pursuant to Clause 165 of the Company's Constitution

Pursuant to Clause 165 of the Company's Constitution, one-third (1/3) of the Directors at the date of the notice convening the Annual General Meeting will retire from office unless elected or re-elected at the Annual General Meeting. The Directors retiring will be those longest in office since their last election. If Directors were elected on the same day, the Directors to retire will either be as agreed between those Directors or by lot. If the total number of the Directors is not three (3) or a multiple of it, the number nearest to 1/3 will retire. All Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. Hence, three (3) out of ten (10) Directors are to retire in accordance with Clause 165 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 6th AGM of the Company, the Board of Directors through its Nomination Committee undertakes a formal evaluation to determine the eligibility of each retiring Director in line with Practice 6.1 of the Malaysian Code on Corporate Governance, which includes the following:

- (i) Contribution and performance of each individual Director;
- (ii) Independence of the Independent Non-Executive Directors; and
- (iii) Fit and proper assessment.

Based on the results of the abovementioned evaluations, the Board of Directors considered that the performance of Dato' Kalsom binti Abd. Rahman, Mr. Lim Choon Teik and Ir. Tan Tiong Ben (each referred to as "**retiring Director**") to be effective. The retiring Directors were able to meet the Board of Directors' expectations in terms of experience, expertise, integrity, competency, participation and contribution. Each retiring Director demonstrates a commitment to the role and has sufficient time to meet his/her commitment to the Company. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

Explanatory Notes to Special Business:

1. Resolution 8 - Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to renew the general mandate to empower the Directors of the Company pursuant to the Companies Act 2016, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the general mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("**Renewed Mandate**"). The Renewed Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The Renewed Mandate will provide flexibility to the Company for the allotment of shares for any possible fundraising activities for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of the Notice of Meeting, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fifth Annual General Meeting of the Company held on 8 June 2022, which will lapse at the conclusion of the 6th AGM of the Company.

Pursuant to Section 85(1) of the Companies Act 2016 be read together with Clause 31 of the Company's Constitution, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The following are excerpted from the Companies Act 2016 and the Company's Constitution:

<u>Section 85(1) of the Companies Act 2016</u>	<u>Clause 31 of the Company's Constitution</u>
<p>Pre-Emptive Rights to New Shares</p> <p>Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.</p>	<p>31. Where the Company in General Meeting does not direct in a different way:</p> <p>31.1. new shares or convertible securities must be offered, before issue, to shareholders entitled to receive notices from the Company of General Meetings;</p> <p>31.2. the offer must, as far as circumstances allow, be in proportion to the amount of existing shares or securities to which such shareholders are entitled;</p> <p>31.3. the offer must be by a notice which specifies the number of shares or securities offered and which limits the time within which, the offer must be accepted or be treated as declined;</p> <p>31.4. if the offer is not accepted within such time or if such shareholders decline to accept the offer, the Board may dispose of those shares or securities in a way which they decide as most beneficial to the Company;</p> <p>31.5. the Board may also dispose of any new share or security which the Board considers cannot be conveniently offered under this Clause 31 on grounds of the ratio which the new shares or securities bear to shares or securities held by shareholders entitled to such an offer.</p>

Explanatory Notes to Special Business: (Cont'd)

2. Resolution 9 - Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**")

The Company wishes to renew the existing shareholders' mandate for Recurrent Related Party Transactions granted by the shareholders of the Company at the Fifth Annual General Meeting of the Company held on 8 June 2022 ("**Renewal of Shareholders' Mandate**"). The Renewal of Shareholders' Mandate will enable the Company and/or its subsidiaries ("**the Group**") to enter into the Recurrent Related Party Transactions which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

3. Resolution 10 - Proposed amendments to the Constitution of the Company

The Company intends to update the Company's Constitution to enhance the interpretations under Clause 1 by adding in the respective registration number and to amend its existing Clause 165A to align with the Malaysian Code on Corporate Governance.

Notes:

- In respect of deposited securities, only shareholders of the Company whose names appear in the Record of Depositors on 1 June 2023 shall be eligible to attend the Meeting.
- A shareholder of the Company entitled to attend, participate, speak and vote at the Meeting is entitled to appoint one (1) or more proxies (who need not be a shareholder of the Company) to attend, participate, speak and vote for him/her but where that shareholder of the Company appoints more than one (1) proxy, he/she must specify the proportion of his/her shareholdings represented by each proxy.
- Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Appointment of proxy and registration for remote participation and voting

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and/or corporate representatives shall communicate with the main venue of the 6th AGM of the Company via real-time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 6th AGM of the Company as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders, proxies and/or corporate representatives may email their questions to eservices@sshb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcasted and responded to by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.

- The instrument appointing a proxy shall be in writing and in the case of an individual, shall be signed by the appointor or by his attorney; and in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/>. The lodging of the Form of Proxy will not preclude any shareholder from participating and voting remotely at the Meeting should any shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 6th AGM of the Company or at any adjournment thereof. All resolutions set out in this Notice of Meeting are to be voted by poll.

Should you wish to personally participate in the Meeting remotely, please register electronically via Securities Services e-Portal at <https://www.sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for the 6th AGM for further details.

The Administrative Guide for the 6th AGM is available for download at www.tashin.com.my.

PROPOSED AMENDMENTS TO OUR CONSTITUTION

Our Constitution shall be amended as follows:

- (i) That the following interpretations be enhanced by adding in the respective registration number and to be read as follows:-

Words	Meanings
Bursa Securities	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)).
Company	Tashin Holdings Berhad (Registration No. 201701028709 (1242878-H)).
Depository	This term means Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W)), the depository of the Company's shares prescribed under Section 14 of SICDA . This term can also mean another depository acting as such a depository, approved to be a central depository under SICDA . Successors-in-title and permitted assigns are also included in this term.

- (ii) That the existing Clause 165A be deleted in its entirety and substituted with the following new Clause 165A to be read as follows:-

Retention of Independent Directors

165A. Directors who are deemed independent **directors**, as defined by the **LR**, shall be subject to annual retention by **shareholders** as follows:-

- 165A.1. For an independent **director** who has served for a cumulative term of nine (9) years in aggregate, the **Company** shall provide justification and seek **shareholders'** approval for his/her continued service as an independent **director** and the resolution shall be passed by way of an ordinary resolution.



BOARD OF DIRECTORS

-  Dato' Kalsom binti Abd. Rahman
Independent Non-Executive Chairperson
-  Lim Choon Teik
Managing Director
-  Foong Kok Chuin
Executive Director / Chief Financial Officer
-  Sim Puei Chun
Senior Independent Non-Executive Director
-  Khaw Chooi Kee
Independent Non-Executive Director

-  Rusdy bin Ishak
Independent Non-Executive Director
-  Ir. Tan Tiong Ben
Independent Non-Executive Director
-  Dato' Toh Yew Peng
Non-Independent Non-Executive Director
-  Toh Yew Seng
Non-Independent Non-Executive Director
-  Koay Kah Ee
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Khaw Chooi Kee | *Chairperson*
Rusdy bin Ishak | *Member*
Ir. Tan Tiong Ben | *Member*

NOMINATION COMMITTEE

Sim Puei Chun | *Chairman*
Dato' Kalsom binti Abd. Rahman | *Member*
Rusdy bin Ishak | *Member*

REMUNERATION COMMITTEE

Dato' Kalsom binti Abd. Rahman | *Chairperson*
Sim Puei Chun | *Member*
Ir. Tan Tiong Ben | *Member*

RISK MANAGEMENT COMMITTEE

Rusdy bin Ishak | *Chairman*
Khaw Chooi Kee | *Member*
Ir. Tan Tiong Ben | *Member*

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Telephone: 03-2084 9000
Facsimile : 03-2094 9940 / 03-2095 0292

AUDITORS

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan
Telephone: 03-2616 2888

HEAD OFFICE

Plot 40
Lorong Perusahaan Maju 7
Kawasan Perusahaan 4
13600 Prai, Penang
Telephone: 04-509 0888
Facsimile: 04-507 9100

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Telephone: 03-2084 9000
Facsimile : 03-2094 9940 / 03-2095 0292

EMAIL ADDRESS AND WEBSITE

Email address:
enquiries@tashin.com.my

Website:
www.tashin.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: TASHIN
Stock Code: 0211
Sector: Industrial Products & Services
Sub-sector: Metals

COMPANY SECRETARIES

Chua Siew Chuan (SSM PC No. 201908002648)
(MAICSA 0777689)

Chin Mun Yee (SSM PC No. 201908002785)
(MAICSA 7019243)

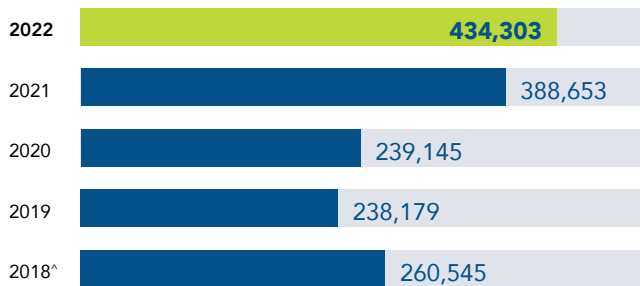
(RM'000)	2018 [^]	2019	2020	2021	2022
Revenue	260,545	238,179	239,145	388,653	434,303
Profit before taxation	14,829	1,492	12,019	84,195	17,308
Profit attributable to owners of the parent	11,281	398	9,268	62,619	13,125
Total assets	202,971	253,207	249,708	399,158	377,561
Equity attributable to owners of the parent	155,783	188,090	197,358	256,207	258,862
EBITDA [#]	21,197	6,219	16,199	89,527	24,821
Net assets per share [*] (RM)	0.54	0.54	0.57	0.73	0.74
Earning per share [*] (sen)	3.89	0.12	2.66	17.94	3.76

[^] Shown (for comparison purpose) on the basis of combined group i.e., assuming that the Group has been formed in financial year ended 31 December 2018 in which Tashin Holdings Berhad was incorporated. Tashin Holdings Berhad incorporated on 14 August 2017.

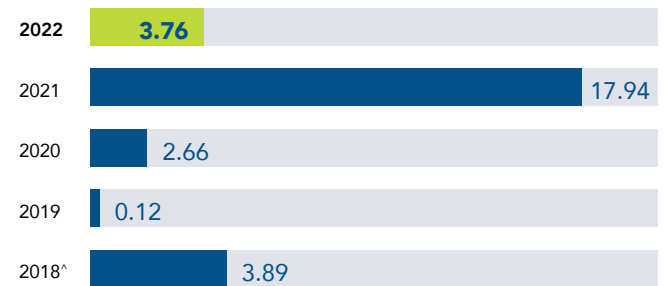
[#] Earnings before interests, depreciation, tax and amortisation

^{*} attributable to owners of the Company

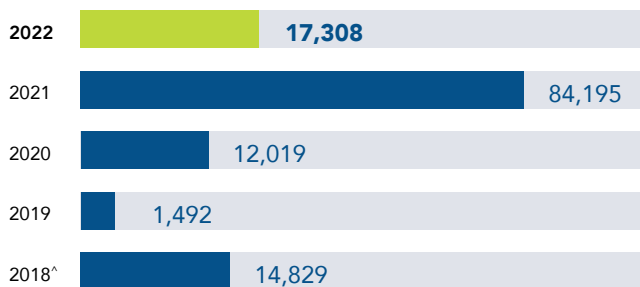
REVENUE **434,303**



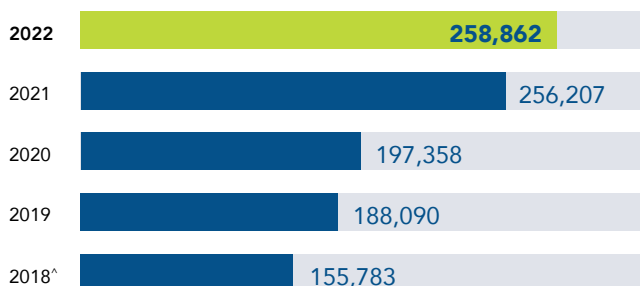
EARNING PER SHARE* (sen) **3.76**



PROFIT BEFORE TAX **17,308**



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT **258,862**



TASHIN

TASHIN HOLDINGS BERHAD

201701028709 (1242878-H)

100%

TASHIN STEEL SDN. BHD.
199801014965 (471094-P)

100%

TASHIN HARDWARE SDN. BHD.
200401004046 (642549-V)



PRINCIPAL ACTIVITIES

Company	Company No.	Date/ Place of incorporation	Principal place of business	Effective equity interest %	Principal activities
Tashin Steel Sdn. Bhd.	199801014965 (471094-P)	30 October 1998/ Malaysia	Malaysia	100	Manufacturing and selling of steel products
Tashin Hardware Sdn. Bhd.	200401004046 (642549-V)	16 February 2004/ Malaysia	Malaysia	100	Manufacturing and trading of steel material and general hardware products

BUSINESS AND OPERATIONS

Tashin Holdings Berhad (“the Company”) and its subsidiaries (“the Group”) are established Malaysian steel products manufacturers with more than twenty (20) years of experience in the steel processing and products manufacturing business. The Group has its beginning in Seberang Perai, Penang, northern Peninsular Malaysia and has over the years grown to be one (1) of the leading steel processing products players in Malaysia.

The Group remains focused on its core business activities of steel processing and steel products manufacturing. Steel processing products are slit coils and steel sheets whereas steel products manufacturing consists of steel pipes, flat bars, square bars, expanded metals, checkered plates and c-purlin.



FINANCIAL REVIEW

The key financial highlights of the Group for the financial year ended 31 December 2022 (“FYE 2022”) as compared to the financial year ended 31 December 2021 (“FYE 2021”) are as follows:

PROFITABILITY	FYE 2022	FYE 2021	VARIANCE	
	RM'000	RM'000	RM'000	%
Revenue	434,303	388,653	45,650	11.75
Gross profit	34,210	103,171	(68,961)	(66.84)
Other operating income	4,090	1,914	2,176	113.69
Profit before taxation	17,308	84,195	(66,887)	(79.44)
Profit attributable to owners of the parents	13,125	62,619	(49,494)	(79.04)

FINANCIAL POSITION	FYE 2022	FYE 2021	VARIANCE	
	RM'000	RM'000	RM'000	%
Shareholder equity	258,862	256,207	2,655	1.04
Total assets	377,561	399,158	(21,597)	(5.41)
Inventories	108,984	164,373	(55,389)	(33.70)
Trade and other receivables	85,380	85,494	(114)	(0.13)
Total borrowing	67,042	54,161	12,881	23.78
Gearing (times)	0.26	0.21	0.05	23.81

The business environment in the steel industry for year 2022 is weaker due to the global economic slowdown, high energy prices and accelerating inflation, the impacts of the Russian Federation’s war of aggression against Ukraine, supply chain disruptions and a sharp downturn in the People’s Republic of China.

The Group’s financial performance for FYE 2022 as compared with FYE 2021 decreased significantly in terms of profit before taxation and net profit mainly due to sharp adjustments in steel prices and reduced profit margin. The profit before taxation has decreased 79.44% to RM17.31 million in FYE 2022 as compared to RM84.20 million recorded in FYE 2021.

FINANCIAL REVIEW (Cont'd)

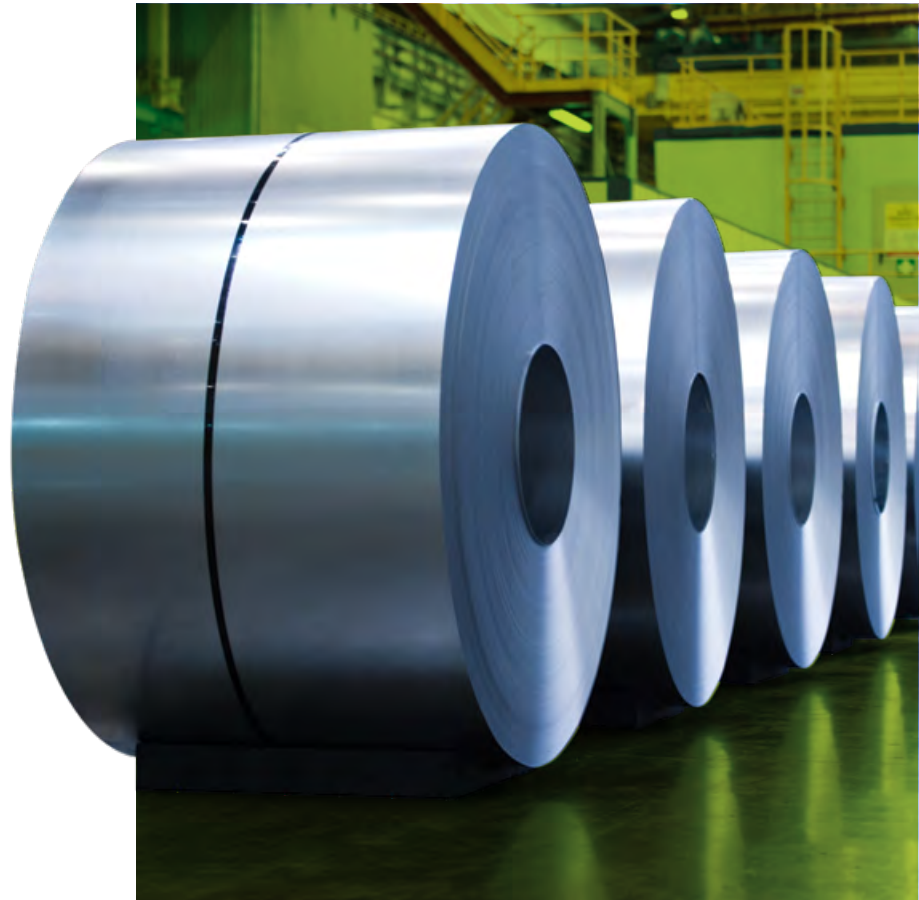
The Group's total revenue for FYE 2022 increased 11.75% to RM434.30 million from RM388.65 million recorded in FYE 2021. The total cost of sales of the Group for FYE 2022 was RM400.09 million against RM285.48 million recorded in FYE 2021. The increase in the total cost of sales of the Group was broadly in line with the higher average material cost and revenue of the Group recorded during FYE 2022.

During FYE 2022, other operating income increased by RM2.18 million to RM4.09 million as compared to RM1.91 million recorded in FYE 2021. This was mainly due to the write-back of impairment of RM1.75 million for inventories to be classified as other operating income. The Group's finance cost increased by RM0.98 million to RM2.99 million as compared to RM2.01 million in FYE 2021 mainly due to the new term loan raised for factory financing and the increase in the bank's interest rates in year 2022.

Financial Position

The Group's financial position has further strengthened with the total equity increased to RM258.86 million as at 31 December 2022 as compared to RM256.21 million in FYE 2021. The Group's total assets as at 31 December 2022 had decreased to RM377.56 million from RM399.16 million recorded in FYE 2021 mainly due to lower holding stock in FYE 2022.

The Group's bank borrowings as at 31 December 2022 had increased by 23.78% to RM67.04 million as compared to RM54.16 million in the previous year. The Group's gearing ratio increased marginally to 0.26 times as at 31 December 2022 as compared to 0.21 times in the previous year in line with higher total borrowing in FYE 2022.



DIVIDEND

The Board of Directors of the Company ("the Board") had earlier paid a single-tier dividend of 5.0 sen per ordinary share in respect of FYE 2021. The Board had also recommended a single-tier final dividend of 2.0 sen per ordinary share which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company scheduled to be held on 8 June 2023, representing 53.18% of the Group's profit after taxation for FYE 2022.

There is no Dividend Policy adopted by the Company, however, the Board strives to adopt a consistent approach to declaring dividends after considering various factors, such as future investment needs, capital expenditure requirements, profitability and liquidity of the Company through the going concern principle.

OPERATIONS REVIEW

The Group has completed the acquisition of industrial land and factory buildings in Seberang Perai, Penang in FYE 2022. In total, the Group owns three (3) factories with head-office buildings sited on 20 acres of land in Seberang Perai, Penang. Through our subsidiaries, Tashin Steel Sdn. Bhd. and Tashin Hardware Sdn. Bhd., the Group is principally involved in the following activities:

- (i) Processing (i.e., slitting and shearing) of steel coils into slit coils and steel sheets;
- (ii) Manufacturing of steel products comprising steel pipes, flat bars, square bars, expanded metals, checkered plates and c-purlins; and
- (iii) Trading of steel products including steel plates, steel pipes, round bars, angle bars and wire mesh.

The Group's revenue is mainly derived from manufacturing activities and the Group also conducts trading activities for steel products on a smaller scale.

EXPANSION PLANS

As disclosed in the Prospectus of the Company dated 25 June 2019 and followed by the Company's subsequent announcements in relation to the revision and extension of time for the utilisation of the proceeds raised from the initial public offering ("IPO"), the Group's expansion plan progress is as follows:

- (a) The Group has allocated RM19.56 million from the proceeds of the IPO to acquire industrial land and factory buildings in Seberang Perai, Penang. Tashin Hardware Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into the Sales and Purchase Agreement ("SPA") and Supplemental Agreement to the SPA with CSC Steel Sdn. Bhd. on 23 April 2021 and 21 January 2022 respectively, for the purpose of acquiring all two (2) contiguous pieces of industrial land and buildings located in Seberang Perai Industrial Estate Phase IV, Seberang Perai, Penang for a total purchase consideration of RM43.50 million. The acquisition has been completed on 13 May 2022. The installation of the two (2) production lines has been completed and operational in the first quarter ended 31 March 2023.
- (b) The Group has utilised RM1.80 million of the IPO proceeds to purchase a new slitting line, which was delivered in February 2022 and the installation work is currently in progress.
- (c) The Group has utilised RM0.11 million to purchase one (1) air compressor.
- (d) The Group has utilised RM1.80 million of the IPO proceeds to purchase five (5) units of packing machines and installation of the machines has been completed.

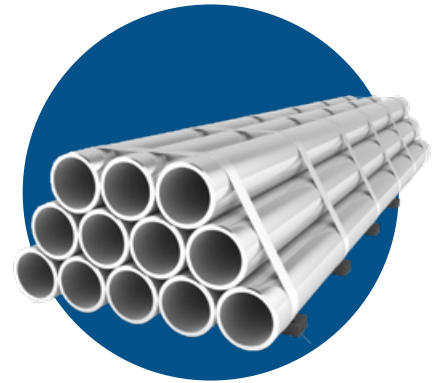
INFORMATION AND COMMUNICATION TECHNOLOGY ("ICT")

The Group had allocated approximately RM0.30 million during FYE 2022 to maintaining and upgrading ICT hardware and software.

KEY RISKS

The Group is mindful of several key risks that the Group is exposed to during its execution of the business plans as follows:

- (a) Credit risk – This is the major risk the Group is exposed to mainly due to our business operations which require giving fourteen (14) to ninety (90) days' credit terms for trade debtors. Trade receivables are significant as the Group's businesses cover various industries with hundreds of trading accounts of customers. In order to mitigate the aforesaid risk, each subsidiary established a sound credit appraisal system to review the daily operating procedures with well-written standard operating procedures. In addition, the Group has obtained trade credit insurance from established insurers to hedge against credit risk.
- (b) Foreign exchange ("FOREX") fluctuation risk – The Group imports materials in United States Dollars ("USD"). Fluctuation in the USD exchange rate against Ringgit Malaysia may adversely impact the costs of our raw materials. Currency hedging techniques and policy as well as regular monitoring and reporting actions were implemented to mitigate the risk of FOREX fluctuation.
- (c) Inventories risk – The carrying amount of inventories as at 31 December 2022 was RM108.98 million. Raw materials are the largest component in the costs of sales, consistently constituting more than 90% of the Group's total costs of sales. Any fluctuations in the global steel prices and stock obsolescence may lead to a rise in the Group's costs of production as well as carrying costs for maintaining the inventories of the Group. This may impact our financial results if the Group is unable to pass on the increased costs to its customers. In order to mitigate the aforesaid risk, the Group's sourcing department has a team of experienced staff in the steel industry to implement prudent and effective inventory management.



- (d) Cyber risk – Commonly refers to any risk of financial loss, disruption or damages to an organisation resulting from the failure of its information technology ("IT") and information system or network. Email and networking system of an organisation is the major entry points for various types of computer virus, hackers and scammers, risking important data being breached and leaked or eliminated. The Group has implemented an IT and email policy which include the policy on internet access authority, firewall, anti-spam & antivirus applications, data backup and important data security for the Group and its subsidiaries to manage and mitigate the cyber risk.

FUTURE PROSPECTS

Despite many restrictions and adjustments that the Group has made to accommodate supply chain interruptions and social distancing measures in year 2022, the Group is pleased to report that production has resumed after a short period of production halt and was able to return to full production thereafter.

Moving forward, the Group will continue its cautious and pragmatic strategy in expansion plans execution, increase production capacity and sales growth, automate its production facilities and other operations to improve production efficiency, reduce reliance on foreign workers, consolidate existing resources and gear for organic growth from within. Thus, the Group is constantly improving its manufacturing facilities, IT facilities and other relevant infrastructures required for business operations through properly planned capital expenditures to maintain its competitiveness and sustainability.

Trust & Reliability



Dato' Kalsom Binti Abd. Rahman

74 Aged | Malaysian

Independent Non-Executive Chairperson

(Appointed to the Board on 12 January 2018)

Dato' Kalsom binti Abd. Rahman ("Dato' Kalsom") is the Chairperson of the Remuneration Committee and a member of the Nomination Committee of the Company. Dato' Kalsom graduated with a Bachelor of Economics (Hons) degree from University of Malaya and obtained her Master's degree in Business Administration (Finance) from the University of Oregon in Eugene, Oregon, United States in 1980.

Dato' Kalsom started her career in 1972 with the Ministry of International Trade and Industry ("MITI") where she held various positions and in 1996, she was seconded to the SME Corporation Malaysia as Chief Executive Officer. Dato' Kalsom returned to MITI in 2000 as the Deputy Secretary General, responsible for strategic planning and formulation of policies on trade, industries and investments as well as for overall development of domestic industries and foreign direct investments, until she retired in 2004. Subsequently in the same year, she was appointed as the Chairperson of SME Corporation Malaysia and Chairperson of the Executive Committee of Invest-in-Penang Berhad where she served until 2008.

Presently, Dato' Kalsom sits on the Board of Bermaz Auto Berhad, a company listed on Main Market of Bursa Malaysia Securities Berhad.

Dato' Kalsom does not have any family relationship with any Director and/or major shareholder of the Company.



Lim Choon Teik

70 Aged | Malaysian

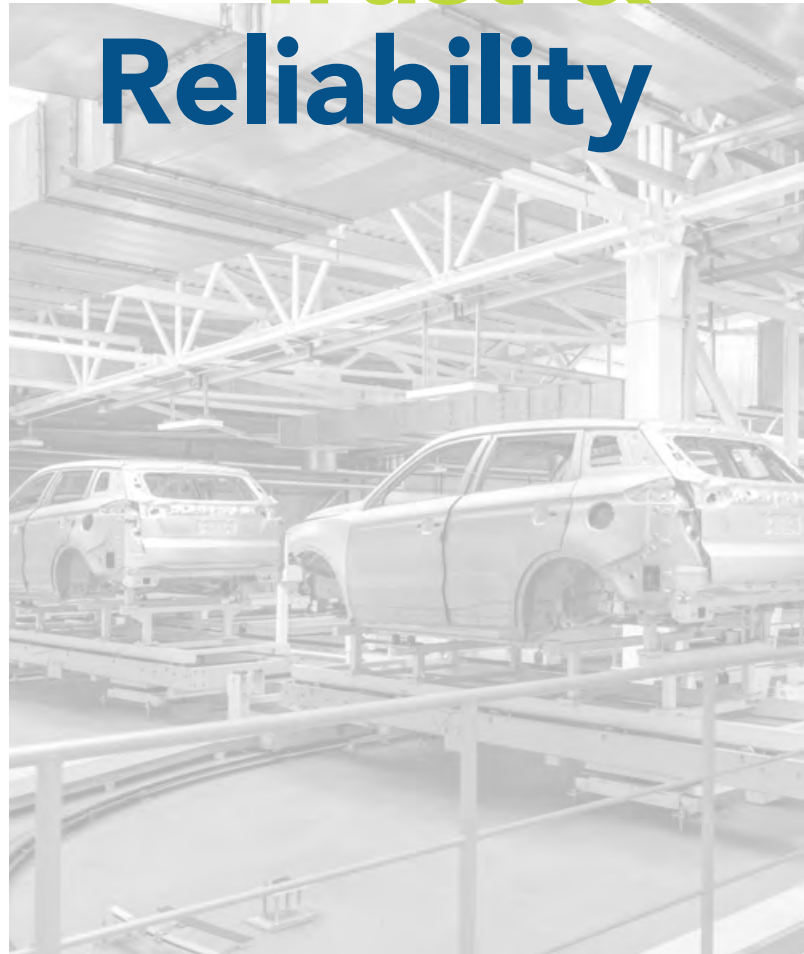
Managing Director

(Appointed to the Board on 18 April 2018)

Mr. Lim Choon Teik ("Mr. Lim") ventured into business after completing his secondary education. He serves as an Advisor to the Penang Hardware and Machinery Merchants' Association.

Mr. Lim was appointed as an Executive Director of Tashin Hardware Sdn. Bhd. and Tashin Steel Sdn. Bhd. in 2004. He was re-designated to Managing Director of Tashin Steel Sdn. Bhd. on 21 July 2017. He has extensive experience in the field of sales and marketing in hardware and machinery. He is responsible for the overall business development and formulation of all marketing plans and strategies for Tashin Holdings Berhad group of companies ("Tashin Group").

Mr. Lim does not have any family relationship with any Director and/or major shareholder of the Company. He is also a Director of several private limited companies and he does not sit on the Board of other public companies and public listed companies.



Foong Kok Chuin

55 Aged | Malaysian

Executive Director/ Chief Financial Officer

(Appointed to the Board on 18 April 2018)

Mr. Foong Kok Chuin ("Mr. Foong") graduated from University of Malaya with a Bachelor Degree in Accountancy. He is a Chartered Accountant, a member of the Malaysian Institute of Accountants and a Certified Member of the Financial Planning Association of Malaysia.

Mr. Foong joined Tashin Steel Sdn. Bhd. in 1999 and was appointed as the General Manager on 1 January 2015. He was appointed as the Chief Financial Officer of Tashin Group in 2018. He has more than twenty (20) years of experience in the field of accounting and finance and is currently responsible for all the finance, accounting and administration functions of Tashin Group.

Mr. Foong does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies and public listed companies.

**Khaw Chooi Kee***56 Aged | Malaysian**Independent Non-Executive Director**(Appointed to the Board on 10 January 2018)*

Ms. Khaw Chooi Kee ("Ms. Khaw") is the Chairperson of the Audit Committee and a member of the Risk Management Committee of the Company.

Ms. Khaw graduated with a Bachelor of Accountancy from University of Malaya in 1992. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

Upon graduation, Ms. Khaw was attached to KPMG Peat Marwick as Auditor until 1995 where she left to gain her commercial experience in the multinational companies and local conglomerate in manufacturing and services industries involving telecommunication, information technology, semi-conductor, electrical and electronics, steel and hospitality sectors. Ms. Khaw has vast experience in financial planning and analysis, cost and management accounting, cash flow planning, budgetary control and shared services. Ms. Khaw currently is the Finance Director in one of the leading multinational companies.

Ms. Khaw does not have any family relationship with any Director and/or major shareholder of the Company. She does not sit on the Board of other public companies and public listed companies.

**Sim Puei Chun***65 Aged | Malaysian**Senior Independent Non-Executive Director**(Appointed to the Board on 10 January 2018)*

Mr. Sim Puei Chun ("Mr. Sim") is the Chairman of the Nomination Committee and a member of the Remuneration Committee of the Company. Mr. Sim obtained a Bachelor of Applied Sciences in Computer Technology from Universiti Sains Malaysia in 1983 and a Master in Educational Psychology from Open University Malaysia in 2011.

Upon graduation, Mr. Sim worked in the semi-conductor industry holding various positions from Equipment Engineer to IT Manager. He was responsible for equipment setup, maintenance, onsite information technology disaster recovery and supervision of a team of engineers and technicians. In 2006, Mr. Sim joined Penang Skills Development Centre Institute as a Lecturer where he remained until 2009. Subsequently, he joined the engineering outsource industry company as Technical Director until 2021 involving in the provision of technical advisor, career counselling and conducting management classes.

Mr. Sim does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies and public listed companies.

**Rusdy Bin Ishak***46 Aged | Malaysian**Independent Non-Executive Director**(Appointed to the Board on 10 January 2018)*

Encik Rusdy bin Ishak ("Encik Rusdy") is the Chairman of the Risk Management Committee and a member of the Audit Committee and Nomination Committee of the Company.

Encik Rusdy obtained a Bachelor of Laws from International Islamic University Malaysia in 2000. In the same year, he undertook his pupillage with one of the law firms. In 2001, he was admitted as Advocate and Solicitor of High Court of Malaya.

Encik Rusdy has approximately twenty one (21) years of experience in legal practice and is currently a Partner in Messrs. Wajdi Mohamad & Company, primarily engaged in civil litigation work.

Encik Rusdy does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies and public listed companies.



Ir. Tan Tiong Ben

66 Aged | Malaysian

Independent Non-Executive Director

(Appointed to the Board on 18 April 2018)

Ir. Tan Tiong Ben ("Ir. Tan") is a member of the Audit Committee, Remuneration Committee and Risk Management Committee of the Company.

Ir. Tan graduated with a Bachelor of Engineering (Civil) Honours from University of Malaya in 1980 and he obtained his Master of Business Administration from University of Strathclyde, United Kingdom in 1997. He is a Corporate Member of the Institution of Engineers, Malaysia and also a Professional Engineer of the Board of Engineers Malaysia.

Ir. Tan began his career with the Public Works Department Malaysia in 1980 until his retirement in 2016. While in Public Works Department Malaysia, he held various posts and was the Director of Security Project Branch, Public Works Department Malaysia Headquarter in Kuala Lumpur prior to his retirement.

Ir. Tan does not have any family relationship with any Director and/or major shareholder of the Company. He does not sit on the Board of other public companies and public listed companies.



Dato' Toh Yew Peng

70 Aged | Malaysian

Non-Independent Non-Executive Director

(Appointed to the Board on 18 April 2018)

Dato' Toh Yew Peng ("Dato' Toh") is a representative of Prestar Resources Berhad ("Prestar"), the promoter and major shareholder of the Company.

Dato' Toh has ventured into business after completing his secondary education. He has been the Group Managing Director of Prestar since its inception and is responsible for the strategic development, overall management and profitability of Prestar and leading its growth to a formidable size today.

Dato' Toh sits on the Board of Prestar, a public company listed on the Main Market of Bursa Malaysia Securities Berhad. He does not sit on any Board Committee of the Company. He also sits on Board of several other private limited companies.

Dato' Toh is the brother of Mr. Toh Yew Seng, a Non-Independent Non-Executive Director of the Company.



**Toh Yew Seng***61 Aged | Malaysian**Non-Independent Non-Executive Director
(Appointed to the Board on 18 April 2018)*

Mr. Toh Yew Seng ("Mr. Toh") is a corporate representative of Prestar, the promoter and major shareholder of the Company.

Mr. Toh graduated with a Bachelor of Arts, majoring in Business Administration from Tunghai University, Taiwan in 1984. In 1984 together with his family members, Mr. Toh co-founded Prestar. He held various positions in Prestar until his appointment as an Executive Director in 1986, a post he assumed until present. In 1999, Mr. Toh was appointed as a Director of Tashin Steel Sdn. Bhd.

Mr. Toh sits on the Board of Prestar, a public company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr. Toh is the brother of Dato' Toh, a Non-Independent Non-Executive Director and major shareholder of the Company.



Other Information

- (i) **Conflict of Interests**
None of the Directors has any conflict of interest with the Company.
- (ii) **Offences and Public Sanctions or Penalties Imposed by Regulatory Bodies**
None of the Directors has committed any offence within the past five (5) years other than traffic offences, if any during the financial year ended 31 December 2022, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

**Koay Kah Ee***64 Aged | Malaysian**Non-Independent Non-Executive Director
(Appointed to the Board on 18 April 2018)*

Mr. Koay Kah Ee ("Mr. Koay") holds a Master in Business Administration (MBA) from University of Strathclyde, United Kingdom. He is a fellow member of Chartered Institute of Management Accountants (CIMA), United Kingdom, fellow member of the Australia Certified Practising Accountants (CPA Australia), Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA) and Chartered Global Management Accountants (CGMA). Mr. Koay retired as the Group Finance Director of Prestar Resources Berhad on 31 December 2022.

Mr. Koay sits on the Board of JF Technology Berhad, a public company listed on the Main Market of Bursa Malaysia Securities as a Non-Independent Non-Executive Director.

Mr. Koay does not have any family relationship with any Director and/or major shareholder of the Company.

01

Teh Jian Yang

35 Aged | Malaysian
General Manager And Director
Tashin Steel Sdn. Bhd.
Tashin Hardware Sdn. Bhd.



Mr. Teh Jian Yang ("Mr. Teh") has been in the steel industry for more than ten (10) years after he graduated with Bachelor of Business on International Business and Marketing in University of Tasmania, Australia in 2009. Mr. Teh plays a key role in the Company and its subsidiaries ("the Group"). He helps the Company to penetrate the Malaysia's steel market by applying his profound knowledge in various steel products and market demand.

Mr. Teh joined Tashin Steel Sdn. Bhd. in 2013 as a Business Development Manager and was promoted to Senior Sales Manager in 2016. Incorporating his management knowledge and vast exposure in the business, Mr. Teh currently holds the position of General Manager/Director. His professional expertise is conducive to the development and growth of the Group. Mr. Teh was first appointed as key senior management on 27 August 2020 as General Manager/Director.

02

Tan Keng Hor

60 Aged | Malaysian
Assistant General Manager
Tashin Steel Sdn. Bhd.
Tashin Hardware Sdn. Bhd.



Mr. Tan Keng Hor ("Mr. Tan") is responsible for the sales and marketing activities in the trade of finished steel products of the Group. In 1982, he obtained the London Chamber of Commerce and Industry intermediate stage certificate in book-keeping from Sim Yong Institute, Penang.

Mr. Tan has more than thirty (30) years of experience in the area of sales and marketing for general hardware, steel products and building materials. Mr. Tan joined Tashin Steel Sdn. Bhd. as a Sales Manager in 1999, responsible for the sales of slit coils and steel sheets. In 2004, he was promoted to Senior Sales Manager where he was responsible for the sales of all the Group's products. Mr. Tan was first appointed as key senior management on 27 December 2016 as Assistant General Manager.



03

Goo Kong Hua

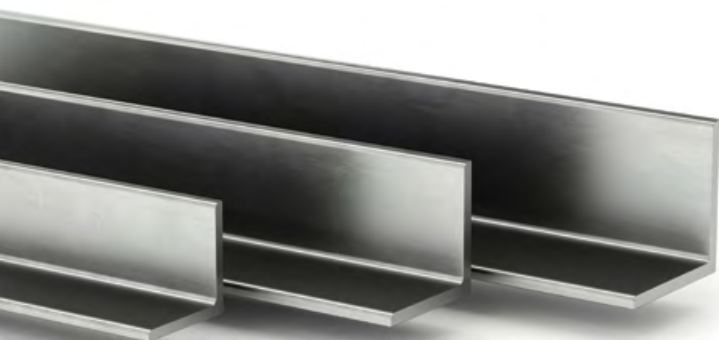
56 Aged | Malaysian
Assistant General Manager
Tashin Steel Sdn. Bhd.
Tashin Hardware Sdn. Bhd.



Mr. Goo Kong Hua ("Mr. Goo") graduated with a Diploma in Technology (Material Engineering) from Tunku Abdul Rahman College in Malaysia in 1990. Subsequently in 1991, he obtained a Master of Science in Materials Engineering from Loughborough University, United Kingdom.

Mr. Goo began his career as a Mechanical Engineer where he was responsible for factory set-up, production and maintenance.

Mr. Goo joined Tashin Steel Sdn. Bhd. in 2004 as Factory Operations Manager. Mr. Goo has a vast experience in overall production operations including warehouse activities. He was first appointed as key senior management on 27 December 2016 as Assistant General Manager.



04

Ma Swi Teok

49 Aged | Malaysian
Assistant General Manager
Tashin Steel Sdn. Bhd.
Tashin Hardware Sdn. Bhd.



Mr. Ma Swi Teok ("Mr. Ma") obtained his Certificate of Marketing in 1994. He then joined Supercomal Wire & Cable Sdn. Bhd. as a Sales Executive for wire and cable products.

In 1996, Mr. Ma joined the Business Department of Northern Steel Centre Sdn. Bhd. as a Junior Officer, responsible for servicing Japanese-based industrial customers. In 1997, he was re-designated to Junior Sales Officer and subsequently promoted to Senior Sales Officer in 1998, where he was responsible for sales of slit coils and steel sheet products.

Mr. Ma joined Tashin Steel Sdn. Bhd. in 2000 as a Sales Executive. In the same year, he was promoted to Assistant Sales Manager and subsequently in 2006, he was promoted as a Business Development Manager. In his capacity as Business Development Manager, he took on the role to source for raw materials from the foreign suppliers of the Group as well as liaising with government agencies such as Malaysian Investment Development Authority (MIDA) and Ministry of International Trade and Industry (MITI) on steel import application. Mr. Ma was first appointed as key senior management on 27 December 2016 as Assistant General Manager.

05

Tang Meng Kean

50 Aged | Malaysian
Assistant General Manager
Tashin Steel Sdn. Bhd.
Tashin Hardware Sdn. Bhd.



Mr. Tang Meng Kean ("Mr. Tang") is responsible for the sales and marketing activities in the trade of finished steel products of the Group. Mr. Tang started his career in 1993 and has total 26 years of sales management experiences.

Mr. Tang joined Tashin Steel Sdn. Bhd. in 1999 as a Sales Executive, responsible for the sales of general hardware, steel products and building materials. He was promoted to Assistant Sales Manager in 2001 and Business Development Manager in 2006 where he was responsible for the sales of all the Group's products.

Mr. Tang was promoted as Senior Sales Manager in 2016, he assisted the management to expand sales, product mixes, and adjust selling price by monitoring supply, demand and market trends changes. Mr. Tang was first appointed as key senior management on 1 January 2023 as Assistant General Manager (Head of Sales and Marketing Department for Tashin Hardware Sdn. Bhd.).



Other Information

- (i) **Directorship in other Public Companies and Public Listed Companies**
None of the Key Senior Management sits on the Board of other public companies and public listed companies.
- (ii) **Family Relationship with any Director and/or Major Shareholder**
None of the Key Senior Management has any family relationship with any Director and/or major shareholder of the Company.
- (iii) **Conflict of Interests**
None of the Key Senior Management has any conflict of interests with the Company.
- (iv) **Offences and Public Sanctions or Penalties Imposed by Regulatory Bodies**
None of the Key Senior Management has committed any offence within the past five (5) years other than traffic offences, if any during the financial year ended 31 December 2022, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

In compliance with the requirements of Bursa Malaysia Securities Berhad ACE Market Listing Requirements and the Malaysian Code on Corporate Governance, the Board of Directors of the Company has adopted the recommendations by providing a Sustainability Statement of Tashin Holdings Berhad and its subsidiaries (“the Group”) in the aspect of Economic, Environment, Social and Governance.

Economic

The Group has formulated sustainability practices that aim to generate long-term benefits for all stakeholders in terms of business continuity and value. The Group takes into account seriously its impact on the economic conditions of its stakeholders and the impact on economic systems as follows:

- Engaging local suppliers at all levels, and day-to-day business requirements.
- Continuously improve the quality of production processes and supply quality products and services to our customers.
- Endeavour to reward our shareholders with the appropriate returns on their investments through continuous and sustainable profitability.
- Our employees are our greatest asset. Remunerating our employees with good working benefits and salary packages which are competitive among local employers in our vicinity.



Environmental

As a responsible corporate citizen, the Group has the responsibility to protect and conserve the environment where the Group operates in. The Group has committed to identifying, managing and minimising the environmental impact caused by the Group’s business operations in an environmentally friendly manner. The Group has determined to carry out the actions progressively and constantly to accomplish the intended goals as follows:

- To comply with environmental regulatory and legal requirements.
- To minimise the level of pollutants entering into the surrounding environment from daily business operations.
- To provide a safe and hygienic workplace and ensure the personnel are properly trained with appropriate safety procedures and control actions.
- Offices, factory premises and surrounding areas are well maintained, inspected and cleaned regularly and renovated where necessary to keep up with the hygiene, safety and comfort of the workplace.

Green initiatives

In order to promote green energy usage and as part of the Group’s effort to sustain the environment, the Group has invested in solar panels project to minimise energy consumption and in turn cost-saving in electricity consumption.

Workplace, community and social interaction

Employee wellness

The Group places great attention on the well-being and benefits of the workforce. The Occupational Safety and Health Committee has been tasked to develop policies and guidelines as well as to provide and maintain a safe and healthy workplace for all employees, contractors and visitors. Throughout the years, additional benefits were introduced to enhance the safety and quality of the workplace such as greater medical protection schemes and better facilities and practice. The Group encourages sports activities by sponsoring weekly sports event for employees during rest days to promote a healthy lifestyle.

Training

The Group encourages employees to continuous improvement by providing trainings to employees from time to time to enhance their skills and abilities which would offer excellent opportunities for personal and career development. The Group has committed to keeping their knowledge and relevant skills which in turn would contribute to the sustainability of the Group.

Community development

During the financial year under review, the Group has initiated cash donations to several schools for their education programme and organised a blood donation campaign for a hospital in Seberang Jaya.



Governance

An effective governance structure and risk management system form the backbone of the Group's business operations. The Group incorporates proper control and good corporate governance features into all management functions and processes, which includes Whistleblowing Policy, strategic planning, authority controls and approvals and emphasise accountability across all level of management.

The Group has adopted Anti-Bribery and Anti-Corruption Policy and Guidelines in enhancing its processes guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

Moving Forward

The Group has committed to balancing out its good economic performance with responsible Environment and Social considerations as the Group continues in developing its formal sustainability approach to meet the challenging business world moving forward. In addition, the Group will plan and implement sustainability governance architecture and work towards ensuring that the notion of sustainability becomes embedded within the Group's corporate culture more prominently.

The Board of Directors (“the Board”) of Tashin Holdings Berhad (“the Company”) acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“MCCG”). In line with this, the Board is committed to the Company’s policy of managing the affairs of the Company and its subsidiaries (“the Group”) with transparency, integrity and accountability by ensuring that a sound framework of the best corporate practices is in place at all levels of the Group’s businesses and thus, discharging its principal responsibility towards protecting and enhancing long-term shareholders’ value and stakeholders’ interests. The ensuing paragraphs in this Corporate Governance Overview Statement (“the Statement”) describe the extent to which the Group has applied and complied with the practices and guidance as set out in the MCCG for the financial year ended 31 December 2022 (“FYE 2022”).

The Statement is presented pursuant to Rule 15.25(1) of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”) ACE Market Listing Requirements (“AMLR”).

The objective of the Statement is to provide an overview of the application of the principles set out in the MCCG throughout FYE 2022. The detailed application for each practice and guidance as set out in the MCCG are disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s corporate website at www.tashin.com.my and through the announcement published on the website of Bursa Malaysia Securities.

Principle A - Board leadership and effectiveness

Part I: Board responsibilities

1) Clear functions, roles and responsibilities of the Board and Management

- i) The Board takes full responsibility for the overall performance of the Group by setting the strategic directions and objectives, formulating the policies and executing the key strategic action plans. The Board regularly reviews the Group’s business operations and maintains full and effective control over the management of the Group.

The duties and responsibilities of the Board include determining the Group’s overall strategic plans and performing periodic reviews of business and financial performance, as well as adopting and implementing practical risk management and internal control system within the Group.

The roles and duties of the Chairperson and Managing Director are clearly identified and separated to ensure the effective operations of the Group.

The Board has also delegated certain responsibilities to other Board Committees which operate within clearly defined terms of reference. The standing Board Committees include the Audit Committee (“AC”), the Nomination Committee (“NC”), the Remuneration Committee (“RC”) and the Risk Management Committee (“RMC”). It is the general policy of the Group that all major decisions be considered by the Board.

The Chairperson of the Board is also a Chairperson of the RC and a member of the NC.

- ii) The Board reviews the sustainability, effectiveness and implementation of the strategic plans and provides guidance and input to Management. In order to ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include, among others, the following:
- To provide leadership and oversee the overall conduct of the Group’s businesses to ensure that the businesses are being properly managed;
 - To review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
 - To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group’s reputation, its employees as well as the Group’s assets and to ensure compliance with applicable laws and regulations;
 - To ensure that the Company has effective Board Committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
 - To review and approve the annual business plans, financial statements and annual reports;
 - To monitor the relationships between the Group and Management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders’ communications policy for the Group;
 - To appoint the Board Committees, to delegate powers to such Committees, to review the composition, performance and effectiveness of such Committees, and to review the reports prepared by the Board Committees and deliberate on the recommendations thereon;
 - To evaluate and approve the major capital expenditures, capital management and all major corporate transactions;
 - To review the succession planning, including appointing, assessing, training, fixing the compensation of and where appropriate, replacing the Board and senior management;

Principle A - Board leadership and effectiveness (Cont'd)

Part I: Board responsibilities (Cont'd)

1) Clear functions, roles and responsibilities of the Board and Management (Cont'd)

- ii) The Board reviews the sustainability, effectiveness and implementation of the strategic plans and provides guidance and input to Management. In order to ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include, among others, the following: (Cont'd)
- To establish a formal schedule of matters reserved for the Board and those delegated to Management and/or Board Committees;
 - To identify the principal risks of the Company and to ensure implementation of appropriate internal control and a proper risk management system; and
 - To review the adequacy and integrity of the management information and internal controls system of the Company.

iii) Role of Company Secretaries

The Board is assisted by two (2) professional Chartered Company Secretaries (outsourced) who carry out the responsibilities of the company secretarial function for the Group. The main duties of the Company Secretaries, among others, are as follows:

- Ensure compliance with Bursa Malaysia Securities AMLR and related statutory obligations and requirements as well as updating the Board regularly on all relevant changes to Bursa Malaysia Securities AMLR and statutory requirements;
- Attend Board meetings, Board Committees meetings and general meetings, and ensure proper recording of proceedings as well as follow-up on matters arising from the aforesaid meetings;
- Ensure proper upkeep of statutory registers and records and maintain a secured retrieval system which stores meeting papers and minutes of meetings; and
- Assist the Chairperson/Chairman in the preparation for and conduct of various meetings of the Company.

Both Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016.

iv) Access to information and advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The board papers are to be comprehensive and include all necessary information so that informed decisions could be made. The Board may also request additional information whenever it deems necessary or appropriate. Management is invited to the Board meetings to furnish clarification on certain issues.

All Directors have access to the professional advice and services of its qualified Company Secretaries in the course of discharging their duties and responsibilities on matters relating to procedures governing the Company which include the Companies Act 2016, Bursa Malaysia Securities AMLR and other applicable laws, rules and regulations, either as a full Board or in their individual capacity.

The Directors may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter concerning the discharge of their responsibilities at the expense of the Company.

2) Demarcation of responsibilities

i) Board Charter

The Board Charter sets out the roles, duties and responsibilities of the Board and the application of principles and practices of good corporate governance. The Board Charter was adopted by the Board on 17 April 2018.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendment to the Board Charter can only be approved by the Board.

The Board Charter is available on the Company's corporate website at www.tashin.com.my.

Principle A - Board leadership and effectiveness (Cont'd)**Part I: Board responsibilities (Cont'd)****3) Good business conduct and corporate culture****i) Code of Conducts and Ethics**

The Code of Conduct and Ethics of the Company was adopted on 22 April 2020 and applies to all Directors of the Group during the conduct of businesses of the Group.

In addition, all Executive Directors of the Group are required to observe and comply with the Code of Conduct for Workplace which is issued by the Human Resources department.

All Directors shall be accountable for full compliance with the Code of Conduct and Ethics. In the event of any violation of the Code of Conduct and Ethics, the Board shall take necessary actions to ratify the non-compliance or violation.

The Code of Conduct and Ethics is available on the Company's corporate website at www.tashin.com.my.

ii) Whistleblowing Policy

The Board had on 20 February 2020 established and approved a Whistleblowing Policy to uphold the Group's effort and commitment to doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process for handling the whistleblowing reports.

The Whistleblowing Policy aims to provide a structured mechanism for its employees, Directors and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith.

The Whistleblowing Policy is available on the Company's corporate website at www.tashin.com.my.

iii) Anti-Bribery and Anti-Corruption ("ABAC") Policy & Guidelines

The Board had on 19 August 2020 established and approved the ABAC Policy & Guidelines to uphold the Group's effort and commitment to ensure adequate and standardised ABAC Policy & Guidelines are consistently applied throughout the Group by the staff and business operations within the Group and to adhere strictly to the ABAC Policy & Guidelines.

The ABAC Policy & Guidelines is available on the Company's corporate website at www.tashin.com.my.

4) Sustainability risks and opportunities

The Company is fully committed to instituting a robust, wide-ranging and germane sustainability framework to cover all aspects of operations.

The Board, together with Management will plan and implement sustainability governance architecture that covers the following areas:

- Assume the ultimate responsibility in approving sustainability strategy;
- Ensure business strategy considers sustainability;
- Evaluate overall sustainability risks and opportunities; and
- Provide leadership over the implementation of the sustainability agenda.

The Company's sustainability strategies, priorities and targets as well as performance against these targets were not communicated to its internal and external stakeholders.

Nevertheless, the Board together with Management are working to set the Company's sustainability strategies, priorities and targets as well as performance against these targets and shall communicate the same to its internal and external stakeholders upon finalisation.

The Board had undertaken the relevant training to stay abreast with and understand the sustainability issues relevant to the Company and its businesses, including climate-related risks and opportunities.

Principle A - Board leadership and effectiveness (Cont'd)**Part II: Board composition****5) Board's objectivity****i) Composition of the Board**

The Board presently has ten (10) Board members and comprises one (1) Executive Director, one (1) Managing Director, three (3) Non-Independent Non-Executive Directors and five (5) Independent Non-Executive Directors including the Chairperson of the Board, which fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated in Rule 15.02(1) of Bursa Malaysia Securities AMLR. In addition, the Company also complies with Practice 4.1 of MCCG to have at least half of the Board comprises Independent Non-Executive Directors.

The presences of Independent Non-Executive Directors who come from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements taking into account the interests, not only of the Group but also the stakeholders.

The profile of each Director is presented in another section of this Annual Report.

ii) Independent Non-Executive Directors, Board diversity and key management**a) Tenure of Independent Non-Executive Director**

At the time of writing this Statement, none of the Independent Non-Executive Directors had served the Board as Independent Non-Executive Directors for more than nine (9) years.

b) Policy of Independent Non-Executive Director's tenure

The Company does not have a policy which limits the tenure of its Independent Non-Executive Directors to nine (9) years. However, upon completion of the nine (9) years' term, the Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director.

In the event that the Director is to remain as an Independent Non-Executive Director after the ninth (9th) year, the Company shall first justify the Director's independence and obtain annual shareholders' approval through a two-tier voting process at every Annual General Meeting ("AGM") of the Company to retain the Independent Non-Executive Director of the Company who has served the Board for more than nine (9) years.

The NC is responsible to conduct a review to determine whether an Independent Non-Executive Director can continue to be independent if the tenure of the Independent Non-Executive Director exceeds the cumulative term of nine (9) years. Thereafter, the NC shall recommend to the Board for recommendation to the shareholders on the retention of the aforesaid Independent Non-Executive Director, if he/she so met the independence guidelines as set out in Chapter 1 of Bursa Malaysia Securities AMLR.

c) Diverse Board and senior management team

Appointments of the Board and senior management are based on objective criteria, merit and due regard for diversity in skills, experience, age, cultural background and gender. Please refer to the Profile of Directors and the key senior management team in other sections of this Annual Report for further information.

The NC is responsible for making recommendations relating to any new appointment of the Director to the Board and key senior management personnel. Any new nomination received by the NC is to be assessed and reviewed by the NC with appropriate selection criteria and processes and to identify candidates for directorships of the Company, members of the relevant Board Committees and key senior management personnel prior to the recommendation to the Board for their assessment and approval.

The NC assesses the suitability of the candidates by taking into consideration the mix of skills, knowledge, expertise and experience, competencies, time commitment, fit and proper and professionalism required by the Board.

Principle A - Board leadership and effectiveness (Cont'd)**Part II: Board composition (Cont'd)****5) Board's objectivity (Cont'd)****ii) Independent Non-Executive Directors, Board diversity and key management (Cont'd)****d) Gender Diversity Policy**

The Board acknowledges the importance of Boardroom diversity, including gender diversity, to the effective functioning of the Board. However, the Board does not have any Gender Diversity Policy and has not set the gender diversity target for FYE 2022.

The recruitment and appointment of suitable female representatives on the Board will be considered when vacancies arise or suitable candidates are identified in line with the Group's strategic objectives.

Currently, the Board comprises two (2) out of ten (10) female Directors, representing 20% of the total Boardroom.

e) New candidates for Board's appointment

There was no new candidate appointed to the Board during FYE 2022. Any potential shortlisted candidate, who is not known to the existing Board members, would be interviewed by the NC and thereafter, meet with the Board for endorsement of appointment.

iii) NC

The NC consists of three (3) members, all of which are Independent Non-Executive Directors and the composition of the NC is as follows:

Members	Designation	Number of NC meetings attended/held during FYE 2022
Mr. Sim Puei Chun	Chairman	2/2
Dato' Kalsom binti Abd. Rahman	Member	2/2
Encik Rusdy bin Ishak	Member	2/2

The role of the NC is to assist the Board to evaluate candidates for nomination to the Board and to assess the effectiveness of the Board and each individual Director on an ongoing basis in terms of contribution, skills, experience and other qualities.

In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Directors and the composition of the various Committees of the Board. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board.

During FYE 2022, the main activities undertaken by the NC were as follows:

- Reviewed and recommended to the Board, the Fit and Proper Policy.
- Reviewed and recommended to the Board, the re-election of Directors of the Company who shall retire at the AGM of the Company.
- Assessed the independency of the Independent Non-Executive Directors of the Company.
- Assessed the effectiveness of the Board as a whole and the Board Committees including the AC.
- Assessed the contribution and performance of each individual Director of the Company and AC member.

The full terms of reference of the NC, outlining the NC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's corporate website at www.tashin.com.my.

Reinforce independence: Annual assessment of the independence of Directors

The Board adopts the concept of independence in tandem with the definition of Independent Non-Executive Director as prescribed under Rule 1.01 of Bursa Malaysia Securities AMLR. The Board also carries out an annual assessment of the independence of its Independent Non-Executive Directors through the assistance of the NC.

Principle A - Board leadership and effectiveness (Cont'd)**Part II: Board composition (Cont'd)****5) Board's objectivity (Cont'd)****iii) NC (Cont'd)****Reinforce independence: Annual assessment of the independence of Directors (Cont'd)**

The Board considers that its Independent Non-Executive Directors provide objectives and independent views on various issues dealt with at the Board and Board Committees levels. All the Independent Non-Executive Directors are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

Re-election of Directors

In accordance with Clause 165 of the Company's Constitution, at every AGM, one-third (1/3) of the Board will retire from office unless elected or re-elected at the AGM. The Directors retiring will be those longest in office since their last election. If the Directors were elected on the same day, the Directors to retire will either as agreed between those Directors or by lot. If the total number of the Directors is not three (3) or a multiple of it, the number nearest to one-third (1/3) will retire. All the Directors shall retire from office at least once in each three (3) years but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Clause 156 of the Company's Constitution.

For the purpose of determining the eligibility of the Directors to stand for re-election at the AGM of the Company, the Board through its NC undertakes a formal evaluation to determine the eligibility of each retiring Director in line with MCCG, which includes the following:

- (i) Contribution and performance of each individual Director;
- (ii) Independence of the Independent Non-Executive Directors, if applicable; and
- (iii) Fit and proper assessment.

The Directors who are to retire shall abstain from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and NC, where relevant.

6) Overall Board effectiveness**i) Annual evaluation of the Board**

The Company has enhanced its Board and Board Committees Performance Evaluation Form by including questionnaires on Environmental, Social and Governance ("ESG") issues.

The Board had through the NC undertakes the following assessments annually and the results of the evaluations are presented to the NC and the Board:

- a) The Board and Board Committee performance evaluation;
- b) Self-performance evaluation;
- c) AC performance assessment questionnaires; and
- d) Independence of the Independent Non-Executive Directors.

Overall, the Board Committees, individual Directors, individual AC members and the Board as a whole had performed fairly well and had discharged their duties with care and diligence.

The independence of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with Bursa Malaysia Securities AMLR and would not impede their independence in carrying out their duties in the respective Board and Board Committees.

Principle A - Board leadership and effectiveness (Cont'd)**Part II: Board composition (Cont'd)****6) Overall Board effectiveness (Cont'd)****ii) Board meetings**

During FYE 2022, a total of five (5) Board meetings were held and the details of each Director's attendance at the Board meetings are as follows:

Name of Directors	No. of meetings attended	% of attendance
Dato' Kalsom binti Abd. Rahman	5 / 5	100
Mr. Lim Choon Teik	5 / 5	100
Mr. Foong Kok Chuin	5 / 5	100
Mr. Sim Puei Chun	5 / 5	100
Madam Khaw Chooi Kee	5 / 5	100
Encik Rusdy bin Ishak	5 / 5	100
Ir. Tan Tiong Ben	5 / 5	100
Dato' Toh Yew Peng	5 / 5	100
Mr. Toh Yew Seng	5 / 5	100
Mr. Koay Kah Ee	5 / 5	100

In the intervals between the Board meetings, the Board's approvals are obtained via circular resolutions for exceptional matters requiring urgent Board's decisions which are supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors before the beginning of each financial year.

The Board is satisfied with the time commitment given by the Directors. All of the Directors do not hold more than five (5) directorships in the public listed companies as stipulated under Bursa Malaysia Securities AMLR. If any Director wishes to accept a new directorship in the public listed companies, the Chairperson will be informed beforehand together with an indication of the time that will be spent on the new appointment.

iii) Directors' training

All Directors have attended the Mandatory Accreditation Programme and are committed to the continuous improvement of knowledge and skill sets.

During FYE 2022, the Directors had attended various talks and seminars organised by Bursa Malaysia Securities and other local training organisations as follows:

Attended by	Seminars/Programmes
Dato' Kalsom binti Abd. Rahman	<ul style="list-style-type: none"> • TCFD 101: Getting Started with Climate-Related Financial Reporting • Directors' Duties and Responsibilities under the Companies Act • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing
Madam Khaw Chooi Kee	<ul style="list-style-type: none"> • TCFD 101: Getting Started with Climate-Related Financial Reporting • TCFD 102: Building Experience in Climate-Related Financial Reporting • The AC: Unpacking the Roles of the Committee & Honing its Effectiveness in Discharging its Responsibilities Holistically • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing

Principle A - Board leadership and effectiveness (Cont'd)

Part II: Board composition (Cont'd)

6) Overall Board effectiveness (Cont'd)

iii) Directors' training (Cont'd)

During FYE 2022, the Directors had attended various talks and seminars organised by Bursa Malaysia Securities and other local training organisations as follows: (Cont'd)

Attended by	Seminars/Programmes
Mr. Lim Choon Teik Mr. Sim Puei Chun Dato' Toh Yew Peng Mr. Toh Yew Seng Ir. Tan Tiong Ben	<ul style="list-style-type: none"> • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing
Encik Rusdy bin Ishak	<ul style="list-style-type: none"> • The AC: Unpacking the Roles of the Committee & Honing its Effectiveness in Discharging its Responsibilities Holistically • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing
Mr. Foong Kok Chuin	<ul style="list-style-type: none"> • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing • Employment (Amendment) Act 2022 • Managing KPI and Performance
Mr. Koay Kah Ee	<ul style="list-style-type: none"> • Corporate Training on ESG Focus: Climate Change and Sustainability Reporting and Disclosures for Main Board Listing • TCFD 101: Getting Started with Climate-Related Financial Reporting • Transfer Pricing and Intra Group Financing • Change Management in the New Normal • ESG Awareness and Sustainability Megatrends • KPMG 2022 MFRS Updates

Part III: Remuneration

7) Remuneration

The remuneration packages of the Managing Director, Executive Director and key senior management are linked to corporate and individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities assumed in the Board Committees, their attendance, special skills and expertise that they bring to the Board.

8) RC

The main function of the RC is to assist the Board in fulfilling its responsibilities on matters relating to the Group's compensation, bonuses, incentives and benefits. The RC assists the Board in assessing the remuneration packages of the Managing Director, Executive Director and key senior management with a view to ensure that a competitive remuneration package is offered to attract and retain the talented individuals to serve the Group as well as reviewing the Directors' fees and benefits and proposed to the Board for approval and recommendation to the shareholders for approval at the AGM of the Company.

Principle A - Board leadership and effectiveness (Cont'd)**Part III: Remuneration (Cont'd)****8) RC (Cont'd)**

The RC consists of three (3) members, all of which are Independent Non-Executive Directors, and the composition of the RC is as follows:

Members	Designation	Number of RC meetings attended/held during FYE 2022
Dato' Kalsom binti Abd. Rahman	Chairperson	3/3
Mr. Sim Puei Chun	Member	3/3
Ir. Tan Tiong Ben	Member	3/3

The full terms of reference of the RC, outlining the RC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's corporate website at www.tashin.com.my.

During FYE 2022, the main activities undertaken by the RC were as follows:

- Reviewed and recommended to the Board, the Directors' fees.
- Reviewed and recommended to the Board, the benefits payable to the Directors from 9 June 2022 until the next AGM of the Company to be held in year 2023.
- Reviewed and discussed the remuneration packages and key performance indicators of the Managing Director, Executive Director and Senior Management of the Company.
- Reviewed the Prolonged Illness Policy.

9) Directors' remuneration

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and its subsidiaries during FYE 2022 are as follows:

(a) Company

Name of Directors	Fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits-in-kind, EPF and allowances RM'000	Total RM'000
Non-Executive Directors					
Dato' Kalsom binti Abd. Rahman	40	-	-	3	43
Mr. Sim Puei Chun	30	-	-	3	33
Madam Khaw Chooi Kee	33	-	-	3	36
Encik Rusdy bin Ishak	30	-	-	3	33
Ir. Tan Tiong Ben	30	-	-	3	33
Dato' Toh Yew Peng	30	-	-	3	33
Mr. Toh Yew Seng	30	-	-	3	33
Mr. Koay Kah Ee	30	-	-	3	33
Executive Directors					
Mr. Lim Choon Teik	30	-	-	3	33
Mr. Foong Kok Chuin	30	-	-	3	33

Principle A - Board leadership and effectiveness (Cont'd)**Part III: Remuneration (Cont'd)****9) Directors' remuneration (Cont'd)**

(b) Group

Name of Directors	Fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits-in-kind, EPF and allowances RM'000	Total RM'000
Non-Executive Directors					
Dato' Kalsom binti Abd. Rahman	40	-	-	3	43
Mr. Sim Puei Chun	30	-	-	3	33
Madam Khaw Chooi Kee	33	-	-	3	36
Encik Rusdy bin Ishak	30	-	-	3	33
Ir. Tan Tiong Ben	30	-	-	3	33
Dato' Toh Yew Peng	48	-	-	3	51
Mr. Toh Yew Seng	48	-	-	3	51
Mr. Koay Kah Ee	30	-	-	3	33
Executive Directors					
Mr. Lim Choon Teik	54	595	175	152	976
Mr. Foong Kok Chuin	30	483	140	104	757

10) Remuneration of top four (4) key senior management

The top four (4) key senior management's (other than Managing Director and Executive Director) remuneration components including salary, bonus, benefit-in-kind and other emoluments in bands of RM50,000.00 are shown below:-

Range of Remuneration (RM)	No. of Senior Management
400,001 - 450,000	1
450,001 - 500,000	2
500,001 - 550,000	1

Note: Successive bands of RM50,000.00 are not shown entirely as they are not represented.

Principle B - Effective audit and risk management**11) AC**

The AC consists of three (3) Independent Non-Executive Directors which complied with Rule 15.09(1)(b) of Bursa Malaysia Securities AMLR whereby the AC shall only consist of Non-Executive Directors and a majority of whom are Independent Non-Executive Directors. The Chairperson of the AC, Madam Khaw Chooi Kee, is not the Chairman of the Board.

For detailed information on the AC with regards to its composition, activities and its report, please refer to the AC Report in this Annual Report.

None of the AC members was a former partner of the external audit firm of the Company i.e., the former partners of the audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc.). In line with the MCCG, the Board has revised its terms of reference of the AC on 21 February 2022 to require a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before he/she could be appointed as a member of the AC.

All members of the AC are financially literate and have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties. The qualification and experience of the individual AC members are disclosed in the Directors' Profile in this Annual Report.

12) Suitability, objectivity and independence of the external auditors

The Board, through the AC, maintains a formal and transparent relationship with its external auditors in seeking professional advice. The AC meets with the external auditors without the presence of the Executive Board members and Management at least twice a year regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.

The AC is assigned to assess, review and supervise the performance, suitability and independence of the external auditors. Evaluation of the external auditors is carried out on a yearly basis to determine its' continuance suitability and independence via a formal assessment form. The AC remains confident that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The external auditors confirmed that independence check and confirmation procedures are carried out and there is no conflict of interest for the audit and non-audit services engagement.

13) Risk management and internal control

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group in identifying and reviewing risks and ensuring the implementation of an appropriate system to manage risk. The RMC assists the Board in continuously reviewing the activities of the Group to identify key business and operational risks and where possible, implement policies and procedures to address such risks.

All subsidiaries have their own Risk Management Unit to review, monitor and assess the risk portfolio composition of significant activities within each subsidiary. The Risk Management Unit provides the RMC with periodical reports on the status of risk management in individual subsidiaries. The RMC reviews the Group's overall risks by assessing the adequacy and effectiveness of risk portfolio composition and risk mitigation controls to determine the desired exposures of each major area of risk on a periodic basis. The Risk Management Reports are further presented to the Board for their deliberations.

The internal control system is devised to cater to the needs of the Group as well as risk management and such controls by their nature could only provide reasonable assurance but not absolute assurance against material misstatement or loss. Information on the Company's risk management framework and internal control system within the Group is presented in the Statement on Risk Management and Internal Control of this Annual Report.

Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders

14) Corporate reporting

In presenting the annual financial statements and quarterly announcements of its results, the Board is committed to providing a balanced, fair and comprehensive assessment of the Company's state of affairs in relation to its financial performance. In order to achieve the above, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards.

The AC assists the Board by reviewing the financial statements with Management and the external auditors to ensure the accuracy and adequacy of all the information to be disclosed as well as to ensure its compliance with the requirements of the rules and regulations of the regulators and approved accounting standards. The Chief Financial Officer also presented to the AC and the Board, detailed presentations on the financial results, including performance against targets/budget.

The Statement of Directors' Responsibility pursuant to Bursa Malaysia Securities AMLR on its responsibilities in preparing the audited financial statements is set out in another section of this Annual Report.

15) Communication with stakeholders

Information on the Group's businesses and corporate development, annual reports, circulars, general meetings, press releases, quarterly financial results and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. These form an important channel of communication to reach the stakeholders.

The Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

In addition, the Company maintains a website at www.tashin.com.my for shareholders, investors and the general public to access information on amongst others, the Group's corporate profile, products, financial performance announcements published in Bursa Malaysia Securities' website, Board Charter and Board Committees' terms of reference and corporate information.

The minutes at the Fifth AGM of the Company held on 8 June 2022 was uploaded onto the Company's website within thirty (30) business days after the AGM of the Company. It is accessible at <https://tashin.com.my/general-meeting/>.

16) Conduct of general meetings

Participation at AGM

In order to encourage shareholders' participation, an adequate notice period for the AGM and annual reports of not less than twenty-eight (28) days is communicated to all the shareholders.

The Chairperson of the Board and the chairman/chairperson of the respective Board Committees as well as the Board members will be present at the general meetings of the Company to respond to the shareholders' queries. Healthy dialogues and interactions with the shareholders are greatly encouraged and no time limitation for shareholders to raise questions pertaining to the resolutions being proposed and the operations of the Group.

The Board is supported by the external auditors, the Company Secretaries, legal and financial advisers, and senior management, where applicable, who are also present at the AGM of the Company to communicate with the shareholders, investors and media as well as to respond to the queries raised.

Poll voting

Bursa Malaysia Securities AMLR requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll for all general meetings from 1 July 2016 onwards.

The Company will conduct poll voting on all resolutions for all general meetings.

Compliance with MCCG

The Board is satisfied that during FYE 2022, the Company has complied with the best practices in MCCG on the application of the principles and best practices in corporate governance, except for those departures highlighted in the CG Report.

This Statement and the CG Report are made in accordance with a resolution of the meeting of the Board passed on 3 April 2023.

1. Utilisation of Proceeds

Tashin Holdings Berhad ("THB" or "Company") was listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") on 1 August 2019 ("Listing"). As part of the Listing exercise, the Company undertook a public issue of 59,329,000 new ordinary shares at an issue price of RM0.58 per share, raising gross proceeds of RM34.41 million ("IPO proceeds").

As at 31 December 2022, THB has fully utilised the IPO proceeds as follows:-

Utilisation of IPO proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Acquisition of industrial land and buildings	19,565	19,565	100%
Purchase of machinery and equipment for:			
- 1 air compressor	108	108	100%
- 1 slitting line	1,800	1,800	100%
- 5 packing machines	1,800	1,800	100%
General working capital	7,938	7,938	100%
Estimated listing expenses	3,200	3,200	100%
	34,411	34,411	100%

2. Audit and Non-audit Fees

During the financial year ended 31 December 2022 ("FYE 2022"), BDO PLT, the External Auditors have rendered audit and non-audit services to the Company and the Group. The breakdown of the fees payable to the External Auditors is as follows:-

	Company (RM)	Group (RM)
Statutory audit fees	20,000	88,000
Non-audit fees for review of Statement on Risk Management and Internal Control	4,000	4,000
Total	24,000	92,000

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, chief executive who is not a Director and major shareholders of the Company, either still subsisting at the end of FYE 2022 or, if not then subsisting, entered into since the end of the previous financial year.

4. Recurrent related party transactions of a revenue or trading nature ("RRPTs")

The RRPTs entered into by the Group during FYE 2022 were as follows:

Nature of RRPTs	RRPTs entered into between THB Group with related parties	Interested Directors and/or interested major shareholders	Aggregate value of the RRPTs during FYE 2022
Sales of goods to Prestar Resources Berhad ("Prestar") Group including steel coils, slit coils and steel sheets	Prestar Group	Prestar, Fabulous Essence Sdn. Bhd., Y.K. Toh Property Sdn. Bhd., Toh Yew Keat, Dato' Toh Yew Peng, Toh Yew Seng and Koay Kah Ee ⁽¹⁾	123,939
Sales of goods to Litat Hardware Sdn. Bhd. ("Litat Hardware") including steel pipes and steel plates	Litat Hardware	Lim Choon Teik, Lee Meng Yim and Formula Naga Sdn. Bhd. ("Formula Naga") ⁽²⁾	4,072,958
Purchases of goods from Prestar Group including steel pipes, steel sheets, highway guardrail beam, channel post, equipment and factory consumables and provision of slitting services	Prestar Group	Prestar, Fabulous Essence Sdn. Bhd., Y.K. Toh Property Sdn. Bhd., Toh Yew Keat, Dato' Toh Yew Peng, Toh Yew Seng and Koay Kah Ee ⁽¹⁾	14,750

Notes:

⁽¹⁾ The following Directors and/or major shareholders of THB are deemed interested:

- (i) Prestar, major shareholder of THB;
- (ii) Fabulous Essence Sdn. Bhd., major shareholder of Prestar and THB by virtue of its interest in Prestar pursuant to Section 8(4) of the Companies Act 2016 ("the Act");
- (iii) Y.K. Toh Property Sdn. Bhd., major shareholder of Prestar and THB by virtue of its interest in Prestar pursuant to Section 8(4) of the Act;
- (iv) Toh Yew Keat, major shareholder of Prestar and major shareholder of THB by virtue of his interest in Prestar pursuant to Section 8(4) of the Act;
- (v) Dato' Toh Yew Peng, major shareholder and Director of Prestar and THB by virtue of his interest in Prestar pursuant to Section 8(4) of the Act;
- (vi) Toh Yew Seng, shareholder and Director of Prestar and THB; and
- (vii) Koay Kah Ee, Director of subsidiary companies and shareholder of Prestar and Director and shareholder of THB.

⁽²⁾ The following Director and/or major shareholders of THB are deemed interested:

- (i) Lim Choon Teik, major shareholder of Litat Hardware and Director and major shareholder of THB by virtue of his interest in Formula Naga pursuant to Section 8(4) of the Act. Lim Choon Teik is also a Director and major shareholder of Formula Naga;
- (ii) Formula Naga, major shareholder of THB; and
- (iii) Lee Meng Yim, Director and major shareholder of Litat Hardware and major shareholder of Formula Naga and THB by virtue of his interest in Formula Naga pursuant to Section 8(4) of the Act.

INTRODUCTION

Pursuant to Rule 15.26(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements ("Listing Requirements") and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance, the Board of Directors ("the Board") of Tashin Holdings Berhad ("the Company") is pleased to provide the following Statement on Risk Management and Internal Control ("Statement") of the Company and its subsidiaries ("the Group") in this Annual Report.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining sound risk management and internal control systems as well as the adequacy and effectiveness of those systems to safeguard its stakeholders' interests and to protect the Group's assets. The system of risk management and internal control covers not only financial controls but risk management, organisational, operational, fraud prevention and compliance controls. It is designed to manage the Group's risks within an acceptable risk profile rather than eliminate the risk of failure in order to achieve the goals and objectives of the Group. Hence, the system of risk management and internal control could only provide reasonable but not absolute assurance against material misstatement, fraud and potential losses.

The Board affirms that the Group has in place an ongoing process of identifying, evaluating, monitoring and managing the principal risks affecting the achievement of its business objectives throughout the financial year under review. The Board has delegated the review of the adequacy and effectiveness of the internal control system to the Risk Management Committee ("RMC"). The Board is kept informed of all significant control issues brought to the attention of the RMC by Management, the internal audit function ("IAF") and also the external auditors. The Board is working closely with the RMC in reviewing and improving the internal controls as well as addressing the potential risks of the Group from time to time.

RISK MANAGEMENT FRAMEWORK AND PROCESS

The Board is dedicated to strengthening the Group's risk management by establishing and putting in place a risk management framework to promote effective risk management within the Group for identifying, evaluating and managing significant risks faced by the Group systematically during the financial year under review.

As mentioned above, the responsibility to oversee the risk management framework is delegated to the RMC which is responsible to ensure that all the principal risks of the Group are properly addressed and managed within its acceptable level. The RMC reports to the Board.

The RMC constantly assesses and identifies risks and puts in place necessary controls and mitigation plans to address and maintain the risks at an appropriate level acceptable to the Group throughout the financial year under review.

All significant risks identified and relevant controls and mitigation plans taken by Management are documented in the risk management reports and the same is compiled and tabled to the RMC and the Board for deliberations.

In order to further enhance the risk management processes within the Group, the Board had in the financial year ended 31 December 2020 engaged an external consultant for corporate liability advisory services to assist the Group in enhancing its processes guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 by adopting the Anti-Bribery and Anti-Corruption Policy & Guidelines.

INTERNAL AUDIT FUNCTION

The IAF is carried out by an external professional firm based on the Internal Audit Plan approved by the Audit Committee ("AC").

The scope of works of the IAF includes but not limited to the following:

- Review and assess the adequacy, efficiency and effectiveness of the Group's internal control system.
- Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which possibly cause a significant impact on the business operations of the Group.
- Report significant issues in relation to the business operations and activities of the Group and make recommendations for improvements in the internal audit reports to the AC.
- Conduct follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management and report the same to the AC.
- Highlight any irregularities to the AC.

INTERNAL AUDIT FUNCTION (Cont'd)

During the financial year under review, the IAF has successfully conducted the following audits in accordance with the Internal Audit Plan 2022 which was approved by the AC and agreed on the timing, frequency and scope of the internal audit services to be rendered:

Audit activities	Audit entity
<ul style="list-style-type: none"> • Sales Order Processing • Account Receivables • Finished Goods Control 	Tashin Hardware Sdn. Bhd.
<ul style="list-style-type: none"> • Recurrent Related Party Transactions 	Tashin Holdings Berhad

There were no material issues highlighted by the IAF during the financial year under review.

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

In addition to the risk management and internal audit, the Group has established various controls to review the adequacy, effectiveness and integrity of the internal control system. Such controls include:

- A budgeting process where budgets are prepared by the operating business units for subsequent monitoring and tracking of variances and performance.
- Documented Quality Management System accredited by International Organisation for Standardisation (ISO) certification body on the subsidiary's quality management system on various manufacturing activities.
- Quarterly review of financial results and operational matters by the AC and the Board.
- Policies and standard procedures of various operating business units within the Group are properly documented for operational guidance and compliance. These policies and standard procedures are reviewed and updated when necessary to maintain its effectiveness at all times.
- Corporate finance and treasury matters are controlled centrally and monitored on a weekly, monthly and quarterly basis.
- Formal authorisation limit for various levels of personnel is established in order to minimise the risk of unauthorised transactions.
- Monthly key operational performance report on key business indicators and performance results on each subsidiary is reported to Management for review and decision-making.

The Board has received assurance from the Group Managing Director and Chief Financial Officer that the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model and internal control system adopted by the Group.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the 2022 Annual Report. The external auditors' review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls or to form an opinion on the effectiveness of the Group's risk and control procedures. Based on the external auditors' review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process and the review adopted by the Board on the adequacy and integrity of the risk management and internal control of the Group.

This Statement is made in accordance with a resolution of the Board dated 3 April 2023.

The Board of Directors ("Board") of Tashin Holdings Berhad ("Tashin" or "Company") is pleased to present the following report on the Audit Committee ("AC" or "Committee") and its activities during the financial year ended 31 December 2022 ("FYE 2022").

The Board has approved this AC Report by a resolution dated 3 April 2023.

1. CONSTITUTION

The AC of Tashin has been established since 17 April 2018.

2. COMPOSITION OF THE AC AND MEETINGS ATTENDANCE

The Committee comprises three (3) members, which consist of all Independent Non-Executive Directors. This meets the requirements of Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities").

During FYE 2022, the AC held a total of five (5) meetings. The members of the AC and their attendance at the meetings are set out below:

Name	Designation	Attendance	Percentage
Ms. Khaw Chooi Kee*	Chairperson/Independent Non-Executive Director	5/5	100%
Encik Rusdy bin Ishak	Member/Independent Non-Executive Director	5/5	100%
Ir. Tan Tiong Ben	Member/Independent Non-Executive Director	5/5	100%

* Ms. Khaw Chooi Kee is a member of the Malaysian Institute of Accountants.

For FYE 2022, the performance and effectiveness of the AC and individual AC members have been evaluated by the Nomination Committee. Having reviewed the results of the AC's and individual AC members' performance, the Board is satisfied that the AC and individual AC members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference of the AC.

3. SUMMARY OF KEY ACTIVITIES FOR FYE 2022

During FYE 2022, the main activities undertaken by the AC were as follows:

- a) Met twice with the external auditors in the absence of the Executive Directors and Management to discuss significant findings, fraud consideration, and Management co-operation level.
- b) Reviewed the audit completion report for the financial year ended 31 December 2021 prepared by the external auditors.
- c) Reviewed the suitability, objectivity and independence of the external auditors in order to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the Fifth Annual General Meeting of the Company.
- d) Reviewed the performance of the internal auditors for the financial year ended 31 December 2021.
- e) Reviewed the unaudited quarterly financial results of the Company and its Group of Companies and thereafter, recommended to the Board for approval and release to Bursa Malaysia Securities.
- f) Reviewed the recurrent related party transactions on a quarterly basis.
- g) Reviewed the draft audited financial statements for the financial year ended 31 December 2021 of the Company and its Group of Companies prior to recommending the same to the Board for approval.
- h) Reviewed the AC Report and the Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report.

3. SUMMARY OF KEY ACTIVITIES FOR FYE 2022 (Cont'd)

During FYE 2022, the main activities undertaken by the AC were as follows: (Cont'd)

- i) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions dated 29 April 2022.
- j) Reviewed the internal audit report.
- k) Reviewed the audit planning memorandum for the financial year ending 31 December 2022 prepared by the external auditors.
- l) Reviewed the revised Internal Audit Function ("IAF") evaluation form.
- m) Reviewed the revised terms of reference of the AC.

4. TERMS OF REFERENCE

The full terms of reference of the AC is available at the Company's website at www.tashin.com.my.

5. STATEMENT ON IAF

The IAF is outsourced and undertaken by an external professional firm i.e., Kloo Point Risk Management Services Sdn. Bhd. to conduct regular reviews and assessments on the adequacy, efficiency, and effectiveness of the Company and its subsidiaries' ("Group") internal control system. The IAF is independent of the operations of the Group and provides reasonable assurance that the internal control system of the Group is satisfactory and operating effectively. The internal audit is conducted using a risk-based approach in accordance with the Standards for the Practice of Internal Auditing issued by the Institute of Internal Auditors. The IAF reports directly to the AC. The IAF is responsible to conduct reviews in accordance with the internal audit plan or other ad-hoc assignments which are approved by the AC.

The AC meets half-yearly to review the internal audit findings and to discuss the corrective action plans in order to ensure that the control weaknesses highlighted in the internal audit reports are appropriately addressed by Management. In addition, the IAF carries out follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management. The progression status of the corrective action plans is also reported to the AC on a half-yearly basis.

For FYE 2022, the IAF has successfully conducted the following audits in accordance with their Internal Audit Plan 2022 which was approved by the AC and agreed on the timing, frequency and scope of internal audit services to be rendered:

Audit activities	Audit entity
<ul style="list-style-type: none"> • Sales Order Processing • Account Receivables • Finished Goods Control 	Tashin Hardware Sdn. Bhd.
<ul style="list-style-type: none"> • Recurrent Related Party Transactions 	Tashin

Based on the internal audit reviews conducted, none of the internal control weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report. The cost incurred in maintaining the IAF for FYE 2022 was approximately RM28,000 (Financial year ended 31 December 2021: RM28,000).

Preparation of the Audited Financial Statements of Tashin Holdings Berhad ("the Company") for the financial year ended 31 December 2022 ("FYE 2022")

The Directors are required by the Companies Act 2016 ("the Act") to lay before the Company's shareholders at the Annual General Meeting of the Company, its Audited Financial Statements (which include the Consolidated Statements of Financial Position and the Consolidated Statements of Profit or Loss and Other Comprehensive Income) of the Company and its subsidiaries ("the Group") for each financial year, prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Act and Bursa Malaysia Securities Berhad ACE Market Listing Requirements.

The Directors are responsible for ensuring that the Audited Financial Statements of the Group are prepared in accordance with the accounting records of the Group so as to give a true and fair view of the state of affairs of the Group as at 31 December 2022, and of the results of their operations and cash flows for the year ended on that date.

In preparing the Audited Financial Statements for FYE 2022, the Directors have reviewed and consistently applied suitable accounting policies throughout the financial year. In the cases where judgements and estimations were made, they were based on reasonableness and prudence assumptions.

The Directors also have general responsibility for taking such steps that are available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 3 April 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 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries mainly consist of business of manufacturing and trading of steel products. The details of the subsidiaries are set out in Note 6 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	<u>13,124,757</u>	<u>5,504,354</u>
Profit attributable to owners of the parent	<u>13,124,757</u>	<u>5,504,354</u>

DIVIDEND

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 December 2021	
Final single tier dividend of 3.0 sen per ordinary share, was paid on 15 July 2022	<u>10,469,730</u>

At the forthcoming Annual General Meeting, a final single tier dividend of 2.0 sen per ordinary share amounting to RM6,979,820 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

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

Dato' Kalsom Binti Abd. Rahman
 Dato' Toh Yew Peng*
 Lim Choon Teik*
 Sim Puei Chun
 Khaw Chooi Kee
 Rusdy Bin Ishak
 Ir. Tan Tiong Ben
 Toh Yew Seng*
 Koay Kah Ee
 Foong Kok Chuin

* These Directors of the Company are also the Directors of subsidiaries of the Company

Subsidiaries of Tashin Holdings Berhad (excluding those who are already the Directors of the Company)

Teh Jian Yang

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2022 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	<----- Number of ordinary shares ----->			
	Balance as at 1.1.2022	Bought	Sold	Balance as at 31.12.2022

Shares in the CompanyDirect interests:

Dato' Kalsom Binti Abd. Rahman	120,000	-	-	120,000
Dato' Toh Yew Peng	1,000,000	-	-	1,000,000
Lim Choon Teik	550,000	1,800,000	-	2,350,000
Sim Puei Chun	120,000	-	-	120,000
Khaw Chooi Kee	100,000	-	-	100,000
Rusdy Bin Ishak	120,000	-	-	120,000
Toh Yew Seng	550,000	-	-	550,000
Koay Kah Ee	345,000	55,000	-	400,000
Foong Kok Chuin	550,000	145,000	-	695,000

Indirect interests:

Dato' Toh Yew Peng [^]	125,223,619	-	40,000	125,183,619
Lim Choon Teik [#]	115,516,379	-	3,000,000	112,516,379

[^] Indirect interest by virtue of Dato' Toh Yew Peng's interests in Prestar Resources Berhad, Fabulous Essence Sdn. Bhd. and Y.K. Toh Property Sdn. Bhd. and the interests of his son, Alan Toh Jin Joo in the Company.

[#] Indirect interest by virtue of Lim Choon Teik's interests in Formula Naga Sdn. Bhd..

DIRECTORS' INTERESTS (Cont'd)

By virtue of their substantial interest in the shares of the Company, Dato' Toh Yew Peng and Lim Choon Teik are deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest.

The other Director holding office at the end of the financial year did not hold any interest in ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest other than the following:

- (i) Directors' remuneration, fees and other emoluments as disclosed in Note 24(c) to the financial statements; and
- (ii) deemed benefits arising from related party transactions as disclosed in Note 24(b) to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Director fees	391,000	313,000
Emoluments other than fees	2,203,026	30,000
Defined benefit plan	59,953	-
	<u>2,653,979</u>	<u>343,000</u>

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Company for the financial year 2022 was RM9,868 (2021: RM8,914)

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)**(I) AS AT THE END OF THE FINANCIAL YEAR (Cont'd)**

- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.
- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (d) In the opinion of the Directors:
 - (i) there has not arisen 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; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 23 April 2021, THSB, a wholly owned subsidiary of the Company, entered into a Sales and Purchase Agreement ("SPA") with CSC Steel Sdn. Bhd. ("CSC") for the acquisition of two (2) contiguous pieces of industrial land and buildings located in Prai Industrial Estate Phase IV, Prai, Penang for a total purchase consideration of RM43,500,000. On 23 April 2021, THSB made a downpayment on the purchase consideration amounting to RM4,350,000.

Subsequently on 21 January 2022, THSB and CSC entered into a Supplemental Agreement to the SPA to extend the deadline to fulfil all requisite consent to 23 July 2022. On 26 January 2022, THSB received from CSC a letter from Penang State Authority dated 11 January 2022 providing the requisite consents to acquire the properties. On 14 March 2022, THSB made a partial payment of the purchase consideration amounting to RM19,150,000 to CSC.

On 13 May 2022, THSB made the balance payment of the purchase consideration amounting to RM20,000,000 to CSC. As at 31 December 2022, the acquisition of the properties by THSB is complete, along with the registration of memorandum of transfer with the relevant authority.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	Company RM
Statutory audit	88,000	20,000
Other assurance services	4,000	4,000
	<u>92,000</u>	<u>24,000</u>

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Lim Choon Teik
Director

Kuala Lumpur
3 April 2023

.....
Toh Yew Seng
Director

In the opinion of the Directors, the financial statements set out on pages 50 to 95 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....
Lim Choon Teik
Director

Kuala Lumpur
3 April 2023

.....
Toh Yew Seng
Director

Statutory Declaration

I, Foong Kok Chuin (CA 10645), being the Director primarily responsible for the financial management of Tashin Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 50 to 95 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
3 April 2023)

Foong Kok Chuin

Before me:



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tashin Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other 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 50 to 95.

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 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of trade receivables

Gross trade receivables of the Group as at 31 December 2022 were RM85,083,055 as disclosed in Note 8 to the financial statements.

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

Our audit procedures included the following:

- a) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there are no key audit matters to communicate in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) Conclude on the appropriateness of the Directors' use of 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 ability of the Group or of the Company 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

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

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

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

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

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
3 April 2023

Francis Cyril A/L S.R. Singam
03056/04/2023 J
Chartered Accountant

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	129,939,356	77,264,969	19,641	22,702
Investment in subsidiaries	6	-	-	144,830,999	144,830,999
		129,939,356	77,264,969	144,850,640	144,853,701
Current assets					
Inventories	7	108,983,662	164,372,928	-	-
Trade and other receivables	8	85,379,779	85,494,191	24,003,309	13,393,522
Current tax assets		2,582,500	-	-	-
Cash and bank balances	9	50,675,401	72,025,655	20,216,090	35,882,852
		247,621,342	321,892,774	44,219,399	49,276,374
TOTAL ASSETS		377,560,698	399,157,743	189,070,039	194,130,075
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	10	179,241,821	179,241,821	179,241,821	179,241,821
Reserves	11	79,619,843	76,964,816	9,434,344	14,399,720
TOTAL EQUITY		258,861,664	256,206,637	188,676,165	193,641,541

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
LIABILITIES					
Non-current liabilities					
Borrowings	12	18,124,400	-	-	-
Lease liabilities	5	623,151	124,435	-	-
Deferred tax liabilities	13	8,659,519	9,289,975	-	-
Provision for retirement benefits	16	1,372,332	1,222,253	-	-
		28,779,402	10,636,663	-	-
Current liabilities					
Trade and other payables	14	40,427,499	68,948,753	340,244	397,922
Borrowings	12	48,917,400	54,161,000	-	-
Derivative liabilities	15	129,147	3,345	-	-
Lease liabilities	5	391,956	128,425	-	-
Current tax liabilities		53,630	9,072,920	53,630	90,612
		89,919,632	132,314,443	393,874	488,534
TOTAL LIABILITIES		118,699,034	142,951,106	393,874	488,534
TOTAL EQUITY AND LIABILITIES		377,560,698	399,157,743	189,070,039	194,130,075

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

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	18	434,302,607	388,653,064	5,000,000	20,600,000
Cost of sales		(400,093,084)	(285,482,193)	-	-
Gross profit		34,209,523	103,170,871	5,000,000	20,600,000
Other operating income		4,090,320	1,913,564	-	-
Selling and distribution expenses		(2,202,416)	(1,946,073)	-	-
Administrative expenses		(15,888,835)	(16,162,886)	(398,862)	(456,204)
Other operating expenses		(625,404)	(634,071)	(215,764)	(242,801)
Finance costs		(2,992,471)	(2,005,429)	-	-
Interest income		574,272	627,211	1,352,176	1,010,148
Net gain/(loss) on impairment of financial assets	19	142,743	(767,861)	-	-
Profit before tax	19	17,307,733	84,195,326	5,737,550	20,911,143
Tax expense	21	(4,182,976)	(21,576,443)	(233,196)	(131,862)
Profit for the financial year		13,124,757	62,618,883	5,504,354	20,779,281
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Fair value gain on revaluation of property, plant and equipment at fair value through other comprehensive income		-	4,954,141	-	-
Total comprehensive income, net of tax		-	4,954,141	-	-
Total comprehensive income for the financial year		13,124,757	67,573,024	5,504,354	20,779,281
Profit after tax attributable to:					
Owners of the parent		13,124,757	62,618,883	5,504,354	20,779,281
Total comprehensive income attributable to:					
Owners of the parent		13,124,757	67,573,024	5,504,354	20,779,281
Earnings per ordinary share attributable to owners of the parent (sen):					
Basic and diluted	22	3.76	17.94		

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

Group	Note	Non-distributable			Distributable		Total equity RM
		Share capital RM	Merger reserve RM	Revaluation reserve RM	Retained earnings RM		
Balance as at 1 January 2022		179,241,821	(124,830,999)	23,433,431	178,362,384	256,206,637	
Profit for the financial year		-	-	-	13,124,757	13,124,757	
Other comprehensive income, net of tax		-	-	-	-	-	
Total comprehensive income		-	-	-	13,124,757	13,124,757	
Transfer due to realisation of revaluation reserve		-	-	(799,544)	799,544	-	
Transaction with owners							
Dividend paid	23	-	-	-	(10,469,730)	(10,469,730)	
Balance as at 31 December 2022		179,241,821	(124,830,999)	22,633,887	181,816,955	258,861,664	

Group	Note	Non-distributable			Distributable		Total equity RM
		Share capital RM	Merger reserve RM	Revaluation reserve RM	Retained earnings RM	RM	
Balance as at 1 January 2021		179,241,821	(124,830,999)	19,176,132	123,771,434	197,358,388	
Profit for the financial year		-	-	-	62,618,883	62,618,883	
Other comprehensive income, net of tax		-	-	4,954,141	-	4,954,141	
Total comprehensive income		-	-	4,954,141	62,618,883	67,573,024	
Transfer due to realisation of revaluation reserve		-	-	(696,842)	696,842	-	
Transaction with owners							
Dividends paid	23	-	-	-	(8,724,775)	(8,724,775)	
Balance as at 31 December 2021		179,241,821	(124,830,999)	23,433,431	178,362,384	256,206,637	

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

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2021		179,241,821	2,345,214	181,587,035
Profit for the financial year		-	20,779,281	20,779,281
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	20,779,281	20,779,281
Transaction with owners				
Dividends paid	23	-	(8,724,775)	(8,724,775)
Balance as at 31 December 2021/1 January 2022		179,241,821	14,399,720	193,641,541
Profit for the financial year		-	5,504,354	5,504,354
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	5,504,354	5,504,354
Transaction with owners				
Dividend paid	23	-	(10,469,730)	(10,469,730)
Balance as at 31 December 2022		179,241,821	9,434,344	188,676,165

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

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		17,307,733	84,195,326	5,737,550	20,911,143
Adjustments for:					
Depreciation of property, plant and equipment		3,620,952	3,223,347	3,061	3,061
Depreciation of right-of-use assets	5	1,474,055	730,734	-	-
Dividend income	18	-	-	(5,000,000)	(20,600,000)
Fair value loss/(gain) on derivatives	15(c)	125,802	(9,805)	-	-
Gain on termination of right-of-use assets	5(b)	(778)	-	-	-
Loss on disposal of property, plant and equipment	19	-	8,092	-	-
Impairment loss on trade receivables	8(g)	1,617,000	2,531,000	-	-
Interest expense	19	2,992,471	2,005,429	-	-
Interest income	19	(574,272)	(627,211)	(1,352,176)	(1,010,148)
Inventories written down	7(c)	259,663	7,124,000	-	-
Provision for retirement benefits	16	150,079	1,222,253	-	-
Reversal of inventories written down	7(d)	(1,750,598)	-	-	-
Reversal of impairment losses on trade receivables	8(g)	(1,759,743)	(1,763,139)	-	-
Unrealised gain on foreign exchange	19	(23)	(1,128)	-	-
Operating profit/(loss) before changes in working capital		23,462,341	98,638,898	(611,565)	(695,944)
Working capital changes:					
Inventories		56,880,201	(101,197,103)	-	-
Trade and other receivables		257,178	(18,639,554)	58,334	3,499
Trade and other payables		(28,521,254)	53,868,099	(57,678)	61,457
Cash generated from/(used in) operations		52,078,466	32,670,340	(610,909)	(630,988)
Dividends received		-	-	5,000,000	20,600,000
Interest received		574,272	627,211	1,352,176	675,960
Tax paid		(16,415,222)	(16,191,926)	(270,178)	(41,250)
Net cash from operating activities		36,237,516	17,105,625	5,471,089	20,603,722
CASH FLOWS FROM INVESTING ACTIVITIES					
Net advances to subsidiaries		-	-	(10,668,121)	(6,412,000)
Proceeds from disposal of property, plant and equipment		-	122,000	-	-
Purchase of property, plant and equipment	4(a)	(56,474,143)	(5,839,247)	-	-
Net cash used in investing activities		(56,474,143)	(5,717,247)	(10,668,121)	(6,412,000)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of lease liabilities	5	(556,623)	(182,215)	-	-
Net drawdown /(repayments) of bankers' acceptances		(8,144,000)	28,558,000	-	-
Net drawdown /(repayments) of term loan		21,024,800	-	-	-
Interest paid		(2,968,074)	(1,996,384)	-	-
Dividends paid	23	(10,469,730)	(8,724,775)	(10,469,730)	(8,724,775)
Net cash (used in)/from financing activities		(1,113,627)	17,654,626	(10,469,730)	(8,724,775)
Net change in cash and cash equivalents		(21,350,254)	29,043,004	(15,666,762)	5,466,947
Cash and cash equivalents at beginning of financial year		72,025,655	42,982,651	35,882,852	30,415,905
Cash and cash equivalents at end of financial year	9	50,675,401	72,025,655	20,216,090	35,882,852

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 5)		Borrowings (Note 12)	
	2022 RM	2021 RM	2022 RM	2021 RM
Balance as at 1 January	252,860	238,834	54,161,000	25,603,000
Cash flows:				
Net (repayments)/drawdown of bankers' acceptances	-	-	(8,144,000)	28,558,000
Repayment of lease liabilities	(556,623)	(182,215)	-	-
Net drawdown of term loans	-	-	21,024,800	-
	(303,763)	56,619	67,041,800	54,161,000
Non-cash flows:				
Additions	1,334,124	182,684	-	-
Termination	(50,920)	-	-	-
Modification	11,269	4,512	-	-
Unwinding of interest	24,397	9,045	-	-
Balance as at 31 December	1,015,107	252,860	67,041,800	54,161,000

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

1. CORPORATE INFORMATION

Tashin Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Plot 40, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Prai, Penang.

The consolidated financial statements for the financial year ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 3 April 2023.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries mainly consist of business of manufacturing and trading of steel products. The details of the subsidiaries are set out in Note 6 to the financial statements.

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

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 29.1 to the financial statements.

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

4. PROPERTY, PLANT AND EQUIPMENT

Group 2022	Balance as at 1.1.2022 RM	Additions RM	Depreciation charge for the financial year RM	Termination RM	Modification RM	Reclassification RM	Reclassification from right- of-use assets (Note 5) RM	Balance as at 31.12.2022 RM
Carrying amount								
At valuation								
Buildings								
- Owned	31,258,195	23,973,824	(1,337,974)	-	-	-	-	53,894,045
- Right-of-use assets	247,797	415,630	(202,415)	(50,142)	11,269	-	-	422,139
Leasehold land								
- Right-of-use assets	21,146,156	21,615,259	(1,214,234)	-	-	-	-	41,547,181
At cost								
Furniture, fittings and office equipment	439,454	939,099	(140,909)	-	-	16,495	-	1,254,139
Motor vehicles								
- Owned	2,352,739	371,235	(556,440)	-	-	27,974	-	2,195,508
- Right-of-use assets	27,974	918,495	(57,406)	-	-	-	(27,974)	861,089
Plant and machinery	17,683,034	2,375,106	(1,581,798)	-	-	221,500	-	18,697,842
Renovation	-	571,700	(3,831)	-	-	-	-	567,869
Construction work-in-progress	4,109,620	6,627,919	-	-	-	(237,995)	-	10,499,544
	77,264,969	57,808,267	(5,095,007)	(50,142)	11,269	27,974	(27,974)	129,939,356

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 31 December 2022				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
At valuation					
Buildings					
- Owned	-	64,514,382	(10,620,337)	-	53,894,045
- Right-of-use assets	-	1,008,051	(585,912)	-	422,139
Leasehold land					
- Right-of-use assets	-	46,460,714	(4,913,533)	-	41,547,181
At cost					
Furniture, fittings and office equipment	2,686,602	-	(1,432,463)	-	1,254,139
Motor vehicles					
- Owned	7,882,023	-	(5,686,515)	-	2,195,508
- Right-of-use assets	918,495	-	(57,406)	-	861,089
Plant and machinery	39,460,783	-	(19,804,080)	(958,861)	18,697,842
Renovation	571,700	-	(3,831)	-	567,869
Construction work-in-progress	10,499,544	-	-	-	10,499,544
	62,019,147	111,983,147	(43,104,077)	(958,861)	129,939,356

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group 2021	Balance as at 1.1.2021 RM	Additions RM	Depreciation charge for the financial year RM	Disposals RM	Remeasurement RM	Revaluation RM	Balance as at 31.12.2021 RM
Carrying amount							
At valuation							
Buildings							
- Owned	32,305,658	-	(967,503)	-	-	(79,960)	31,258,195
- Right-of-use assets	228,996	182,684	(168,395)	-	4,512	-	247,797
Leasehold land							
- Right-of-use assets	15,069,189	-	(521,601)	-	-	6,598,568	21,146,156
At cost							
Furniture, fittings and office equipment	387,580	161,298	(109,424)	-	-	-	439,454
Motor vehicles							
- Owned	1,975,567	1,117,122	(609,858)	(130,092)	-	-	2,352,739
- Right-of-use assets	68,712	-	(40,738)	-	-	-	27,974
Plant and machinery	17,978,249	1,241,347	(1,536,562)	-	-	-	17,683,034
Construction work-in-progress	790,140	3,319,480	-	-	-	-	4,109,620
	68,804,091	6,021,931	(3,954,081)	(130,092)	4,512	6,518,608	77,264,969

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 31 December 2021				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
At valuation					
Buildings					
- Owned	-	40,540,558	(9,282,363)	-	31,258,195
- Right-of-use assets	-	721,158	(473,361)	-	247,797
Leasehold land					
- Right-of-use assets	-	24,845,455	(3,699,299)	-	21,146,156
At cost					
Furniture, fittings and office equipment	1,731,008	-	(1,291,554)	-	439,454
Motor vehicles					
- Owned	7,231,044	-	(4,878,305)	-	2,352,739
- Right-of-use assets	279,744	-	(251,770)	-	27,974
Plant and machinery	36,864,177	-	(18,222,282)	(958,861)	17,683,034
Construction work-in-progress	4,109,620	-	-	-	4,109,620
	50,215,593	66,107,171	(38,098,934)	(958,861)	77,264,969

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Balance as at 1.1.2022 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
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Carrying amount

Furniture, fittings and office equipment	22,702	(3,061)	19,641
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	<----- At 31 December 2022 ----->		
	Cost RM	Accumulated depreciation RM	Carrying amount RM

Furniture, fittings and office equipment	30,610	(10,969)	19,641
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Company	Balance as at 1.1.2021 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
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Carrying amount

Furniture, fittings and office equipment	25,763	(3,061)	22,702
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	<----- At 31 December 2021 ----->		
	Cost RM	Accumulated depreciation RM	Carrying amount RM

Furniture, fittings and office equipment	30,610	(7,908)	22,702
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(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2022	2021
	RM	RM
Purchase of property, plant and equipment	57,808,267	6,021,931
Financed by lease arrangements (Note 5)	(1,334,124)	(182,684)
Cash payments on purchase of property, plant and equipment	56,474,143	5,839,247

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (b) All items of property, plant and equipment, except for right-of-use assets, are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

- (c) After initial recognition, property, plant and equipment except leasehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses, and for rights-of-use assets, adjusted for any re-measurement of the lease liabilities. Leasehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Leasehold land and buildings (including right-of-use assets) are revalued at least every three (3) years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods are as follows:

Buildings	1 - 50 years
Leasehold land	30 - 50 years
Furniture, fittings and office equipment	5 - 10 years
Motor vehicles	6 years
Plant and machinery	7 - 20 years
Renovation	10 years

Construction work-in-progress represents machinery under installation and is stated at cost. Construction work-in-progress is not depreciated until such time when the asset is available for use.

- (d) At the end of each reporting year, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting year to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

- (e) The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (f) Fair value measurement of the Group's leasehold land and buildings

The fair value of leasehold land and buildings (at valuation) of the Group are categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Leasehold land	-	-	41,547,181	41,547,181
Buildings	-	-	54,316,184	54,316,184
2021				
Leasehold land	-	-	21,146,156	21,146,156
Buildings	-	-	31,505,992	31,505,992

- (i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 December 2022 and 31 December 2021.
- (ii) During the current financial year, leasehold land and buildings at Level 3 fair value measurements are based primarily on latest available market transactions of similar properties within the vicinities as well as reports by professional valuers.

In the previous financial year, the fair values of leasehold land and buildings of the Group are categorised as Level 3, determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

In relying on the latest available market transactions and valuation reports, the Directors have exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions.

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(f) Fair value measurement of the Group's leasehold land and buildings (Cont'd)

(ii) (Cont'd)

Fair value information

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between significant unobservable inputs and fair value, is detailed in the table below:

Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Comparison method involves determining the market value by directly comparing the subject land with similar properties which have been sold, finding its value from these transactions. Adjustments are then made for differences in location, size, market conditions and other factors in order to arrive at a common basis for comparison.	- Land value at RM50.18 per sq. ft.	The estimated fair value would increase/(decrease) if: - Land value per square foot was higher/(lower).
Cost method is based on the estimate of current market value of building which is arrived at by the comparison approach for its existing use plus the current gross replacement cost of improvements less allowance for physical deterioration and all relevant forms of obsolesces and optimisation.	- Replacement cost ranging from RM30 per ft run to RM140 per ft run. - Depreciation rates at 2%.	The estimated fair value would increase/(decrease) if: - Replacement cost per ft run was higher/(lower). - Depreciation rates were lower/(higher).

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

(g) In the previous financial year, leasehold land and buildings of the Group was revalued by the Directors based on a valuation exercise carried out by an independent professional valuer using the open market value basis.

Had the revalued assets been carried at cost, the carrying amounts would have been:

	Group	
	2022 RM	2021 RM
Leasehold land	24,344,487	3,308,547
Buildings	41,671,676	18,349,826

(h) As at the end of reporting period, certain buildings and leasehold land of the Group with carrying amount of RM16,078,296 (2021: RM16,694,905) and RM10,643,104 (2021: RM11,034,729) respectively have been charged as securities for banking facilities granted to the Group as disclosed in Note 12 to the financial statements.

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessee

Right-of-use assets

Rights-of-use assets related to leased properties and motor vehicles that do not meet the definition of investment property and are presented as property, plant and equipment in Note 4 to the financial statements are as follows:

Group	Leasehold land RM	Building RM	Motor vehicles RM	Total RM
Carrying amount				
Balance as at 1 January 2022	21,146,156	247,797	27,974	21,421,927
Additions	21,615,259	415,630	918,495	22,949,384
Depreciation charge for the financial year	(1,214,234)	(202,415)	(57,406)	(1,474,055)
Termination	-	(50,142)	-	(50,142)
Reclassification*	-	-	(27,974)	(27,974)
Modification	-	11,269	-	11,269
Balance as at 31 December 2022	41,547,181	422,139	861,089	42,830,409

* The asset previously acquired under hire purchase arrangement was reclassified to property, plant and equipment as the lease liabilities for this asset have been fully settled during the financial year.

Group	Leasehold land RM	Building RM	Motor vehicles RM	Total RM
Carrying amount				
Balance as at 1 January 2021	15,069,189	228,996	68,712	15,366,897
Additions	-	182,684	-	182,684
Depreciation charge for the financial year	(521,601)	(168,395)	(40,738)	(730,734)
Revaluation	6,598,568	-	-	6,598,568
Remeasurement	-	4,512	-	4,512
Balance as at 31 December 2021	21,146,156	247,797	27,974	21,421,927

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)**The Group as lessee (Cont'd)****Lease liabilities**

	2022 RM	Group 2021 RM
Balance as at 1 January	252,860	238,834
Additions	1,334,124	182,684
Modification	11,269	4,512
Termination	(50,920)	-
Lease payments	(556,623)	(182,215)
Interest expense	24,397	9,045
Balance as at 31 December	1,015,107	252,860
Represented by:		
Current liabilities	391,956	128,425
Non-current liabilities	623,151	124,435
	1,015,107	252,860
Lease liabilities owing to a financial institution	584,491	-
Lease liabilities owing to non-financial institutions	430,616	252,860
	1,015,107	252,860

- (a) The Group has certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (b) The following are the amounts recognised in profit or loss:

	2022 RM	Group 2021 RM
Depreciation charge of right-of-use assets (included in administration expense)	1,471,594	689,996
Depreciation charge of right-of-use assets (included in cost of sales)	2,461	40,738
Interest expense on lease liabilities (included in finance costs)	24,397	9,045
Gain on termination of leases (included in other operating income)	(778)	-
Expense relating to short-term leases (included in administration expense)	40,170	10,980
Expense relating to leases of low-value assets (included in cost of sales)	1,776	2,028
	1,539,620	752,787

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

The Group as lessee (Cont'd)

Lease liabilities (Cont'd)

(c) The following are total cash outflows for leases as a lessee:

	Group	
	2022 RM	2021 RM
Included in net cash used in operating activities:		
Payment relating to short term-lease and low value assets	41,946	13,008
Included in net cash used in financing activities:		
Payment of lease liabilities	556,623	182,215
Total cashflows for leases	598,569	195,223

(d) The Group determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group. The lease payments are discounted using the annual incremental borrowing rate of the Group in the range of 3.92% to 4.19% (2021: 3.92%).

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM

At cost

Unquoted shares	144,830,999	144,830,999
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(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

6. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(b) The details of the Company's subsidiaries, all incorporated in Malaysia, are as follows:

Name of company	Effective interest in equity		Principal activities
	2022	2021	
Tashin Steel Sdn. Bhd. ("TSSB")*	100%	100%	Processing of steel coils into slit coils and steel sheets as well as manufacturing of steel products including expanded metals, steel pipes and C Purlins
Subsidiary of TSSB			
Tashin Hardware Sdn. Bhd. ("THSB")*	100%	100%	Manufacturing and trading of steel material and general hardware product

* Subsidiaries audited by BDO PLT, Malaysia.

7. INVENTORIES

	Group	
	2022 RM	2021 RM
At cost		
Raw materials	25,971,854	112,363,810
Inventory-in-transit	7,161,938	3,877,184
Manufactured and trading inventories	21,847,423	37,485,082
	54,981,215	153,726,076
At net realisable value		
Raw materials	40,191,583	8,865,852
Manufactured and trading inventories	13,810,864	1,781,000
	54,002,447	10,646,852
	108,983,662	164,372,928

7. INVENTORIES (Cont'd)

- (a) Inventories are stated at the lower of cost and net realisable value. The cost of the inventories are determined using the weighted average method. Cost of manufactured and trading inventories included the cost of raw materials, direct labour, other direct cost and an appropriate portion of production overheads based on normal operating capacity of the production facilities.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM400,093,084 (2021: RM285,482,193).
- (c) During the financial year, the Group has written down inventories by RM259,663 (2021: RM7,124,000) to their net realisable value.
- (d) During the financial year, the Group has also reversed RM1,750,598 of a write down of inventories which was subsequently not required as the Group was able to sell those inventories above their carrying amount.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade receivables				
Third parties	85,024,650	78,969,549	-	-
Related companies	58,405	55,541	-	-
	85,083,055	79,025,090	-	-
Less: Impairment losses				
- third parties	(1,083,000)	(1,225,743)	-	-
	84,000,055	77,799,347	-	-
Other receivables				
Third parties	507,916	760,675	-	-
Subsidiaries	-	-	24,002,309	13,334,188
Deposits	83,140	4,446,540	1,000	1,000
	591,056	5,207,215	24,003,309	13,335,188
Total receivables	84,591,111	83,006,562	24,003,309	13,335,188
Prepayments	788,668	2,487,629	-	58,334
	85,379,779	85,494,191	24,003,309	13,393,522

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 14 to 90 days (2021: 14 to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Amounts owing by related companies in trade receivables are non-interest bearing and the normal trade credit terms granted by the Group is 90 days (2021: 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

8. TRADE AND OTHER RECEIVABLES (Cont'd)

- (d) Amounts owing by subsidiaries in other receivables represent advances, which are unsecured and bears interest at rates ranging from 3.35% to 4.60% (2021: 4.15% to 4.49%) per annum and payable in cash and cash equivalent within the next twelve months.
- (e) The currency exposure profile of total receivables are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Ringgit Malaysia ("RM")	84,577,484	82,951,254	24,003,309	13,335,188
Singapore Dollar ("SGD")	13,627	55,308	-	-
	84,591,111	83,006,562	24,003,309	13,335,188

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses. Loss rates are based on actual credit loss experience over past years.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

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

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

8. TRADE AND OTHER RECEIVABLES (Cont'd)

(f) (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for non-financial institutions customers.

2022 Group	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days to 365 days past due	More than 365 days past due	Total RM
Expected loss rate (%)	1.02 - 1.10	1.52 - 1.65	3.05 - 3.30	12.18 - 13.2	30 - 100	100	
Gross carrying amount (RM)	64,904,388	16,522,272	3,269,960	170,315	205,906	10,214	85,083,055
Impairment loss allowance (RM)							
Lifetime ECL allowance	634,464	254,305	100,607	21,143	62,267	-	1,072,786
Specific allowance	-	-	-	-	-	10,214	10,214
Total	634,464	254,305	100,607	21,143	62,267	10,214	1,083,000
Net carrying amount (RM)	64,269,924	16,267,967	3,169,353	149,172	143,639	-	84,000,055

During the financial year, the Group did not renegotiate the terms of any trade receivables.

8. TRADE AND OTHER RECEIVABLES (Cont'd)

(f) (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables for non-financial institutions customers.

2021 Group	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days to 365 days past due	More than 365 days past due	Total RM
Expected loss rate (%)	1.07 to 1.11	1.61 to 1.67	3.21 to 3.33	12.84	-	100	
Gross carrying amount (RM)	65,364,714	10,181,420	3,070,394	169,794	-	238,768	79,025,090
Impairment loss allowance (RM)							
Lifetime ECL allowance	702,168	164,054	98,951	21,802	-	-	986,975
Specific allowance	-	-	-	-	-	238,768	238,768
Total	702,168	164,054	98,951	21,802	-	238,768	1,225,743
Net carrying amount (RM)	64,662,546	10,017,366	2,971,443	147,992	-	-	77,799,347

8. TRADE AND OTHER RECEIVABLES (Cont'd)

- (g) Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Directors specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

The reconciliation of movements in the impairment losses allowance for trade receivables are as follows:

	Group	
	2022 RM	2021 RM
Balance as at 1 January	1,225,743	457,882
Charge for the financial year	1,617,000	2,531,000
Reversal of impairment losses	(1,759,743)	(1,763,139)
Balance as at 31 December	1,083,000	1,225,743

- (h) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Credit impaired refers to debtors who are in significant financial difficulties as at the end of the reporting period. The Group defined significant increase in credit risk based on past due information, i.e. overdue amounts more than 120 days.

The probability of non-payment by other receivables and subsidiaries are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for the amounts of other receivables and subsidiaries.

It requires management to exercise significant judgement in determining the probability of default of other receivables, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables and amounts owing by subsidiaries as it is negligible.

- (i) Information on financial risks of trade and other receivables are disclosed in Note 28 to the financial statements.

9. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances, representing cash and cash equivalents as reported in statements of cash flows	50,675,401	72,025,655	20,216,090	35,882,852

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Cash and bank balances are denominated in RM.
- (c) No expected credit losses were recognised arising from cash and bank balances because the probability of default by these financial institutions were negligible.
- (d) Information on financial risks of cash and bank balances are disclosed in Note 28 to the financial statements.

10. SHARE CAPITAL

	Group and Company			
	Number of shares	2022 RM	Number of shares	2021 RM
Issued and fully paid ordinary share with no par value				
Balance as at 1 January/31 December	348,991,000	179,241,821	348,991,000	179,241,821

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meeting of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

11. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:				
Revaluation reserve	22,633,887	23,433,431	-	-
Merger reserve	(124,830,999)	(124,830,999)	-	-
	(102,197,112)	(101,397,568)	-	-
Distributable:				
Retained earnings	181,816,955	178,362,384	9,434,344	14,399,720
	79,619,843	76,964,816	9,434,344	14,399,720

11. RESERVES (Cont'd)

(a) Revaluation reserve

Revaluation reserve of the Group represents revaluation surplus on leasehold land and building. When revalued leasehold land or buildings are sold, the portion of the revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the revaluation reverse will not be reclassified subsequently to profit or loss.

(b) Merger reserve

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling of interest method.

In financial year ended 31 December 2019, the Company's acquisition of TSSB is a business combination under common control, and the merger method is used to account for the acquisition. The merger reserve derived from the Company's acquisition of TSSB is as follows:

	RM
Cost of investment	144,830,999
Less: Nominal value of shares in TSSB	<u>(20,000,000)</u>
Merger reserve	<u>124,830,999</u>

12. BORROWINGS

	2022 RM	Group 2021 RM
Non-current liabilities		
Unsecured:		
Term loans	<u>18,124,400</u>	-
Current liabilities		
Secured:		
Bankers' acceptances	11,368,000	15,744,000
Unsecured:		
Bankers' acceptances	<u>34,649,000</u>	38,417,000
Term loans	<u>2,900,400</u>	-
	<u>37,549,400</u>	38,417,000
	<u>48,917,400</u>	54,161,000
Total borrowings		
Bankers' acceptances	46,017,000	54,161,000
Term loans	<u>21,024,800</u>	-
	<u>67,041,800</u>	54,161,000

12. BORROWINGS (Cont'd)

- (a) Borrowings are classified as financial liabilities and measured at amortised cost.
- (b) Borrowings are denominated in RM.
- (c) The borrowings of the Group bear the following interest rates per annum:

	2022 %	Group 2021 %
Bankers' acceptances	3.40	3.18
Term loans	3.66 - 4.11	-

- (d) Bankers' acceptances of the Group are secured by means of:
- (i) corporate guarantees by the Company for its subsidiaries; and
- (ii) a first party legal charge over certain buildings and leasehold land of the Group as disclosed in Note 4(h) to the financial statements.
- (e) Term loans of the Group are secured by means of corporate guarantees by the Company for its subsidiaries.
- (f) Term loans are repayable as follows:

	2022 RM	Group 2021 RM
Term loan I, repayable in 120 instalments of RM166,700, commenced on 1 July 2022 and expiring on 1 June 2032	18,999,800	-
Term loan II, repayable in 12 quarterly instalments of RM225,000, commenced on 27 January 2022 and expiring on 27 January 2025	2,025,000	-
	21,024,800	-
Current liabilities		
- not later than one (1) year	2,900,400	-
Non-current liabilities		
- later than one (1) year and not later than five (5) years	18,124,400	-
	21,024,800	-

- (g) Information on financial risks of the borrowings and its remaining maturity are disclosed in Note 28 to the financial statements.

13. DEFERRED TAX

Deferred tax liabilities are made up of the following:

	Note	2022 RM	Group 2021 RM
Balance as at 1 January		9,289,975	9,967,923
Recognised in profit or loss	21	(630,456)	(2,242,415)
Arising from revaluation of property, plant and equipment		-	1,564,467
Balance as at 31 December		8,659,519	9,289,975

- (a) Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (b) Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

13. DEFERRED TAX (Cont'd)

- (c) The components and movements of deferred tax liabilities and (assets) at the end of reporting period prior to offsetting are as follows:

Group	Property, plant and equipment RM	Revaluation reserve RM	Provisions RM	Total RM
Balance as at 1 January 2022	6,515,588	7,400,031	(4,625,644)	9,289,975
Recognised in profit or loss	226,866	(252,488)	(604,834)	(630,456)
Balance as at 31 December 2022	6,742,454	7,147,543	(5,230,478)	8,659,519
Balance as at 1 January 2021	5,734,832	6,055,621	(1,822,530)	9,967,923
Recognised in profit or loss	780,756	(220,057)	(2,803,114)	(2,242,415)
Arising from revaluation of property, plant and equipment	-	1,564,467	-	1,564,467
Balance as at 31 December 2021	6,515,588	7,400,031	(4,625,644)	9,289,975

14. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables				
Third parties	30,873,545	54,832,950	-	-
Related companies	-	18,127	-	-
	30,873,545	54,851,077	-	-
Other payables and accruals				
Third parties	6,291,608	7,954,571	7,244	19,922
Accruals	3,262,346	6,143,105	333,000	378,000
	9,553,954	14,097,676	340,244	397,922
	40,427,499	68,948,753	340,244	397,922

- (a) Trade and other payables are classified as financial liabilities are measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days (2021: 30 to 90 days) from date of invoice.
- (c) In the previous financial year, amounts owing to related companies in trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 to 90 days from date of invoice.
- (d) Trade and other payables are denominated in RM.
- (e) Information on financial risks of trade and other payables are disclosed in Note 28 to the financial statements.

15. DERIVATIVE LIABILITIES

	Group			
	Contract/ Notional amount RM	2022 Liabilities RM	Contract/ Notional amount RM	2021 Liabilities RM
Forward currency contracts	9,052,421	(129,147)	1,693,406	(3,345)

- (a) Derivatives are initially recognised at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.
- (b) Forward currency contracts have been entered into operationally hedge forecast purchases denominated in foreign currencies that are expected to occur at various dates within two (2) to four (4) months (2021: three (3) months) from the end of the reporting period. The forward currency contracts have maturity dates that coincide with the expected occurrence of these transactions. The fair value of these components have been determined based on the difference between the contracted rate and the forward exchange rate as applicable to a contract of similar amount and maturity profile at the end of the reporting period.
- (c) During the financial year, the Group recognised a net loss of RM125,802 (2021: net gain of RM9,805) arising from fair value changes of derivative financial instruments. The fair value changes are attributable to changes in foreign exchange spot and forward rates. The methods and assumptions applied in determining the fair values of derivatives are disclosed in Note 27 to the financial statements.

16. PROVISION FOR RETIREMENT BENEFITS

	Group	
	2022 RM	2021 RM
Balance as at 1 January	1,222,253	-
Expenses recognised in profit or loss	150,079	1,222,253
Balance as at 31 December	1,372,332	1,222,253
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	1,372,332	1,222,253

- (a) The Group operates an unfunded defined benefit plan for eligible employees of the Group. The benefits payable on retirement are generally based on the length of service and basic monthly salary of the eligible employee.

The amount recognised as a liability in respect of defined benefit plan is the present value of the defined benefit obligations at the reporting date. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The net changes in the defined benefit liabilities are recognised as a cost of defined benefit plan. Settlement of defined benefit schemes are recognised in the period when the settlement occurs.

16. PROVISION FOR RETIREMENT BENEFITS (Cont'd)

- (b) The first actuarial valuation was carried out in the previous financial year. The principal actuarial assumptions at the end of the reporting period (expressed as weighted average) are as follows:

	Group	
	2022 %	2021 %
Discount rate	4.20	4.20
Salary increment rate	6.00	6.00

- (c) Sensitivity analysis

The impact on changes of each significant actuarial assumption while holding all other assumptions constant as at the end of the reporting period are as follows:

	Group	
	2022 RM	2021 RM
Discount rate increase by 1% (2021: 1%)	(65,953)	(69,794)
Discount rate decrease by 1% (2021: 1%)	60,641	64,025
Salary increments rate increase by 1% (2021: 1%)	44,463	37,789
Salary increments rate decrease by 1% (2021: 1%)	(40,659)	(34,645)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

17. OPERATING SEGMENTS

The Group is predominantly involved in manufacturing of steel related products which is the only reportable segment. Other non-reportable segments are investment holding and trading. These segments do not meet the quantitative threshold for reporting segments in 2022 and 2021. All the Group's operations are carried out in Malaysia.

The Group evaluates performance on the basis of profit or loss from operations before tax.

18. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers				
Sales of goods	434,302,607	388,653,064	-	-
Other revenue:				
Dividend income				
- Unquoted subsidiaries	-	-	5,000,000	20,600,000
	434,302,607	388,653,064	5,000,000	20,600,000

Revenue of the Group and of the Company are predominantly generated in Malaysia.

18. REVENUE (Cont'd)

- (a) Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of products and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

- (b) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

19. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statement, the profit before tax is arrived at:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
After charging:				
Auditors' remuneration				
- Statutory fee	88,000	63,000	20,000	15,000
- Non-statutory fees	4,000	4,000	4,000	4,000
Interest expenses on:				
- Bank overdrafts and other interests	6,695	15,244	-	-
- Bankers' acceptances	2,490,945	1,936,844	-	-
- Lease liabilities	24,397	9,045	-	-
- Term loans	447,828	-	-	-
- Revolving credits	22,606	44,296	-	-
Loss on disposal of property, plant and equipment	-	8,092	-	-
And crediting:				
Interest income from deposits with financial institutions*	574,272	627,211	364,221	448,984
Interest income from amount owing from subsidiaries	-	-	987,955	561,164
Realised gain on foreign exchange	195,490	16,030	-	-
Unrealised gain on foreign exchange	23	1,128	-	-

* Interest income is recognised as it accrues, using the effective interest method.

19. PROFIT BEFORE TAX (Cont'd)

Other than those disclosed elsewhere in the financial statement, the profit before tax is arrived at: (Cont'd)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Impairment losses on trade receivables	1,617,000	2,531,000	-	-
Reversal of impairment losses on trade receivables	(1,759,743)	(1,763,139)	-	-
Net gain/(loss) on impairment of financial asset	(142,743)	767,861	-	-

20. EMPLOYEE BENEFITS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages, salaries and bonuses	13,988,168	15,745,603	343,000	393,000
Contribution to defined contribution plan	1,190,797	1,259,570	-	-
Defined benefit plan	150,079	1,222,253	-	-
Other benefits	1,319,739	1,026,145	-	-
	16,648,783	19,253,571	343,000	393,000

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,653,979 and RM343,000 respectively (2021: RM3,206,540 and RM393,000) as disclosed in Note 24(c) to the financial statements.

21. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense based on profit for the financial year:				
- Income tax	4,866,081	23,495,318	236,407	131,862
- (Over)/Under-provision in prior years	(52,649)	323,540	(3,211)	-
	4,813,432	23,818,858	233,196	131,862
Deferred tax (Note 13)				
- Relating to origination and reversal of temporary differences	163,798	(2,653,799)	-	-
- Relating to revaluation reserve	(252,488)	(220,057)	-	-
- (Over)/Under-provision in prior years	(541,766)	631,441	-	-
	(630,456)	(2,242,415)	-	-
	4,182,976	21,576,443	233,196	131,862

21. TAX EXPENSE (Cont'd)

- (a) Income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised, outside profit or loss, either in other comprehensive income or directly in equity.
- (b) Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated taxable profit for the fiscal year.
- (c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	17,307,733	84,195,326	5,737,550	20,911,143
Tax at Malaysian statutory tax rate at 24% (2021: 24%)	4,153,856	20,206,878	1,377,012	5,018,674
Tax effects in respect of:				
- Non-allowable expenses	1,001,381	779,238	147,510	167,762
- Non-taxable income	(125,358)	(144,597)	(1,288,115)	(5,054,574)
- Deferred tax on revaluation reserve	(252,488)	(220,057)	-	-
	4,777,391	20,621,462	236,407	131,862
(Over)/Under provision of tax expense in prior years	(52,649)	323,540	(3,211)	-
(Over)/Under provision of deferred tax in prior years	(541,766)	631,441	-	-
	4,182,976	21,576,443	233,196	131,862

22. EARNINGS PER SHARE

	Group	
	2022	2021
Profit for the financial year attributable to owners of the parent (RM)	13,124,757	62,618,883
Weighted average number of ordinary shares in issue (unit)	348,991,000	348,991,000
Basic earnings per ordinary share for the profit for the financial year (sen)	3.76	17.94

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

Diluted earnings per ordinary share equals basic earnings per ordinary share as there is no dilutive potential ordinary shares outstanding during the financial year.

23. DIVIDENDS

	Group and Company			
		2022		2021
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
In respect of financial year ended 31 December 2020				
Single-tier final dividend, declared on 15 July 2021 and paid on 18 August 2021	-	-	0.5	1,744,955
In respect of financial year ended 31 December 2021				
Single-tier interim dividend, declared on 18 November 2021 and paid on 16 December 2021	-	-	2.0	6,979,820
Single-tier final dividend declared on 8 June 2022 and paid on 15 July 2022	3.0	10,469,730	-	-
	3.0	10,469,730	2.5	8,724,775

At the forthcoming Annual General Meeting, a final single tier dividend of 2.0 sen per ordinary share amounting RM6,979,820 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

24. RELATED PARTIES DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Direct and indirect subsidiaries as disclosed in Note 6 to the financial statements;
- (ii) Prestar Resources Berhad ("PRB") and its subsidiaries (collectively known as "Prestar Group"), whereby PRB is a substantial corporate shareholder of the Company, and a director of the Company is also a director and/or substantial shareholder in PRB Group;
- (iii) Formula Naga Sdn. Bhd. ("FNSB"), whereby FNSB is a substantial corporate shareholder of the Company, and a director of the Company is also a director and/or substantial shareholder in FNSB;
- (iv) Litat Hardware Sdn. Bhd. ("LITAT") in which a Director of the Company, Lim Choon Teik, has substantial financial interests; and
- (v) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly. Key management personnel include the Executive Directors of the Group.

24. RELATED PARTIES DISCLOSURES (Cont'd)

(b) Significant related party transactions

In addition to the related parties transactions and balances detailed elsewhere in the report, the Group and the Company had the following transactions with its related parties during the financial year:

Group	2022 RM	2021 RM
Transactions with corporate shareholders		
<i>Prestar Resources Berhad</i>		
Dividend paid	3,559,699	2,966,415
<i>Formula Naga Sdn. Bhd.</i>		
Dividend paid	3,465,491	2,887,909
Transactions with subsidiaries of PRB		
<i>Prestar Storage System Sdn. Bhd.</i>		
Sales of goods	(96,584)	(758,626)
<i>Dai Dong Steel Sdn. Bhd.</i>		
Sales of goods	(27,355)	(21,474)
<i>Prestar Marketing Sdn. Bhd.</i>		
Purchase of goods	1,000	-
<i>Prestar Galvanising Sdn. Bhd.</i>		
Purchase of goods	13,750	82,552
Transaction with associates of PRB		
<i>POSCO-MKPC Sdn. Bhd.</i>		
Sales	-	(154,480)
Transaction with a company in which a Director of the Company has substantial financial interest		
<i>Litat Hardware Sdn. Bhd.</i>		
Purchase of goods	-	4,668
Sales of goods	(4,072,958)	(8,595,609)
Company		
Transactions with subsidiaries		
<i>Tashin Steel Sdn. Bhd.</i>		
Dividend income	(5,000,000)	(20,600,000)
Interest income	(236,956)	(398,756)
<i>Tashin Hardware Sdn. Bhd.</i>		
Interest income	(750,999)	(162,408)

24. RELATED PARTIES DISCLOSURES (Cont'd)

(b) Significant related party transactions (Cont'd)

The related party transactions described above were carried out on agreed contractual terms and conditions and in the negotiated term of business between the related parties of the Group and the Company.

Information regarding outstanding balances arising from related party transactions as at 31 December 2022 are disclosed in Notes 8 and 14 to the financial statements

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors of the Group and of the Company during the financial years are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Director fees	391,000	441,000	313,000	363,000
Emoluments other than fees	2,203,026	1,857,901	30,000	30,000
Defined benefit plan	59,953	907,639	-	-
	2,653,979	3,206,540	343,000	393,000

The remuneration of other key management personnel of the Group and of the Company during the financial years are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Short term employee benefits	1,241,241	1,262,594	-	-
Contribution to defined contribution plan	145,824	134,628	-	-
Defined benefit plan	10,302	94,858	-	-
	1,397,367	1,492,080	-	-

The estimated monetary value of benefit-in-kind received by key management personnel of the Group amounted to RM77,717 (2021: RM55,449).

25. CAPITAL COMMITMENTS

	Group	
	2022 RM	2021 RM
Capital expenditure in respect of purchase of property, plant and equipment:		

Capital expenditure in respect of purchase of property, plant and equipment:

- Approved but not contracted for	1,105,000	2,085,000
- Contracted but not provided for	511,415	43,045,817
	1,616,415	45,130,817

26. CONTINGENT LIABILITIES

	Company	
	2022 RM	2021 RM

Unsecured:

- Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	181,070,000	148,092,000
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The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

27. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern whilst maximising the returns to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it, in response to changes in the economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2022 and 31 December 2021.

The Group monitors capital on the basis of the Group's consolidated gearing ratio which is total external debts divided by shareholders' funds. External debts comprise borrowings and lease liabilities. Shareholders' funds represent total equity.

	Note	Group	
		2022 RM	2021 RM
Borrowings	12	67,041,800	54,161,000
Lease liabilities	5	1,015,107	252,860
		68,056,907	54,413,860
Total equity		258,861,664	256,206,637
Gearing ratio (times)		0.26	0.21

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity of more than twenty-five percent (25%) of the issued and paid-up capital of the Company.

The Company has complied with this requirement during the financial year ended 31 December 2022.

27. FINANCIAL INSTRUMENTS (Cont'd)

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair value due to their short-term nature.

The carrying amounts of the current position of fixed rate borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair value of these borrowings has been determined using discounted cash flows technique. The discount rates used are based on the current market rate available for similar borrowings.

- (ii) Derivatives

The fair value of forward foreign currency contracts is determined using forward exchange market rates at the end of the financial year.

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and the forward exchange rate as at the end of the reporting period applied to a contract of similar amount and maturity profile.

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amount of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
2022					
Financial liability at fair value through profit or loss					
- Forward currency contracts	-	129,147	-	129,147	129,147
2021					
Financial liability at fair value through profit or loss					
- Forward currency contracts	-	3,345	-	3,345	3,345

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group and the Company is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group and the Company is exposed mainly to credit risk, liquidity risk and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party failed to perform as contracted. In order to manage risk, it is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with their customers are mainly on credit. The credit period is generally for a period of 14 days, extending up to 90 days for major customers. Each customer has a maximum credit limit and the Group seeks to minimise and monitor the credit risk via strictly limiting the associations to business customers with high creditworthiness. The Group have bought the collateral insurance for turnover of RM75,000,000 in the financial year ended 31 December 2022 (2021: RM58,000,000) to minimise the credit risk. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values, if any.

Information regarding trade and other receivables is disclosed in Note 8 to the financial statements. The Group does not have any significant concentration of credit risk related to any individual customers or counterparty as at the end of the reporting period. The Company has significant exposure from the amounts owing from subsidiaries of RM24,002,309 (2021: RM13,334,188), which represents 99% (2021: 99%) of other receivables of the Company. The Group and the Company do not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually receive.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The objective of the Group and the Company is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts their cash commitments and maintain a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Prudent liquidity risk management is applied by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining the flexibility in funding by keeping committed credit lines available.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Liquidity and cash flow risk (Cont'd)

The table below summarises the maturity profile of the liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations:

2022	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
Borrowings	49,605,355	9,126,600	8,997,800	67,729,755
Lease liabilities	1,127,798	621,343	8,000	1,757,141
Trade and other payables	40,427,499	-	-	40,427,499
Total undiscounted financial liabilities	91,160,652	9,747,943	9,005,800	109,914,395

2021	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities			
Borrowings	54,770,746	-	54,770,746
Lease liabilities	134,500	128,080	262,580
Trade and other payables	68,948,753	-	68,948,753
Total undiscounted financial liabilities	123,853,999	128,080	123,982,079

Maturity profile of the trade and other payables of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from their borrowing and lease liabilities. The Group borrows at fixed rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

Sensitivity analysis for fixed rates borrowing and lease liabilities at the end of the reporting period is not presented as it is not affected by change in interest rates.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

The following table sets out the carrying amounts, the effective interest rate ("EIR") as at the end of each reporting period and the remaining maturities of the financial instruments of the Group that are exposed to interest rate risk:

Group	WAEIR %	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	Over 5 years RM	Total RM
2022								
Fixed rates								
Lease liabilities	3.92 - 4.19	391,956	362,550	205,461	29,085	26,055	-	1,015,107
Term loans	3.66 - 4.11	2,900,400	2,900,400	2,225,400	2,000,400	2,000,400	8,997,800	21,024,800
Bankers' acceptances	3.40	46,017,000	-	-	-	-	-	46,017,000
2021								
Fixed rates								
Lease liabilities	3.92	128,425	73,227	42,524	8,684	-	-	252,860
Bankers' acceptances	3.18	54,161,000	-	-	-	-	-	54,161,000

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Transactional currency exposures mainly arise from transactions that are denominated in currencies other than functional currency of the operating entity.

The Group enters into forward foreign currency contracts for their foreign currency exposures and the management monitors these exposures on an ongoing basis.

During the financial year, the Group entered into foreign currency forward contracts to manage exposures to currency risk for trade payables which are denominated in a currency other than the functional currency of the Group.

The notional amount and maturity date of the forward foreign exchange contracts outstanding as at the end of each reporting period are as follows:

Group	Currency	Contract amount in foreign currency	RM equivalent	Maturities within
2022				
Forward contracts used to hedge trade payables	USD	2,021,245	9,052,421	Two (2) to four (4) months
2021				
Forward contracts used to hedge trade payables	USD	403,000	1,693,406	Three (3) months

In view of the insignificant financial effect on the Group's profit net of tax with the possible change in foreign currency rates, the management did not separately disclose the effect of this sensitivity in the financial statements.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**29.1 New MFRSs adopted during the financial year**

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

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2021	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (Cont'd)

29.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

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

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments since the effects would only be observable for future financial years.

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 23 April 2021, THSB, a wholly owned subsidiary of the Company, entered into a Sales and Purchase Agreement ("SPA") with CSC Steel Sdn. Bhd. ("CSC") for the acquisition of two (2) contiguous pieces of industrial land and buildings located in Prai Industrial Estate Phase IV, Prai, Penang for a total purchase consideration of RM43,500,000. On 23 April 2021, THSB made a downpayment on the purchase consideration amounting to RM4,350,000.

Subsequently on 21 January 2022, THSB and CSC entered into a Supplemental Agreement to the SPA to extend the deadline to fulfil all requisite consent to 23 July 2022. On 26 January 2022, THSB received from CSC a letter from Penang State Authority dated 11 January 2022 providing the requisite consents to acquire the properties. On 14 March 2022, THSB made a partial payment of the purchase consideration amounting to RM19,150,000 to CSC.

On 13 May 2022, THSB made the balance payment of the purchase consideration amounting to RM20,000,000 to CSC. As at 31 December 2022, the acquisition of the properties by THSB is complete, along with the registration of memorandum of transfer with the relevant authority.

No.	Name of registered owner/ Address	Descriptions/ Existing use	Built-up area (sq. feet)	Tenure/ Expiry date of lease/ Age of building	Net carrying amount as at 31 December 2022 (RM'000)	Date of Acquisition/ Revaluation
1	Tashin Steel Sdn. Bhd. Plot 40, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Perai, Pulau Pinang	Office cum manufacturing site	152,835	60 years leasehold expiring on 2052 (remaining tenure of 29 years) Age of building: 24 years	26,721	31 October 2021
2	Tashin Steel Sdn. Bhd. Plot 39, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Perai, Pulau Pinang	Manufacturing site	132,552	60 years leasehold expiring on 2052 (remaining tenure of 29 years) Age of building: 13 years	23,839	31 October 2021
3	Tashin Hardware Sdn. Bhd. No. 1617, Lorong Perusahaan Maju 6, Kawasan Perusahaan 4, 13600 Perai, Pulau Pinang	Office cum manufacturing site	330,189	60 years leasehold expiring on 2052 (remaining tenure of 29 years) Age of building: 25 years	44,716	13 May 2022
4	Tashin Steel Sdn. Bhd. F 01-08, Taman Pelangi, Bukit Tengah, 13600 Perai, Pulau Pinang	Hostel	500	99 years leasehold expiring on 2092 (remaining tenure of 69 years) Age of building: 26 years	41	23 April 2008
5	Tashin Steel Sdn. Bhd. V 03-16, Taman Pelangi, Bukit Tengah, 13600 Perai, Pulau Pinang	Hostel	500	99 years leasehold expiring on 2092 (remaining tenure of 69 years) Age of building: 26 years	56	2 March 2016
6	Tashin Steel Sdn. Bhd. I 02-12, Taman Pelangi, Bukit Tengah, 13600 Perai, Pulau Pinang	Hostel	500	99 years leasehold expiring on 2092 (remaining tenure of 69 years) Age of building: 26 years	68	17 May 2022

Total number of issued shares	:	348,991,000 Ordinary Shares
Class of shares	:	Ordinary shares
Number of shareholders	:	3,159
Voting rights	:	One (1) vote per Ordinary Share on a poll

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of issued capital
1 – 99	2	0.06	2	0.00
100 – 1,000	495	15.67	235,500	0.07
1,001 – 10,000	1,518	48.05	8,777,700	2.52
10,001 – 100,000	977	30.93	31,940,400	9.15
100,001 – 17,449,549 (*)	165	5.22	79,764,400	22.86
17,449,550 and above (**)	2	0.06	228,272,998	65.41
Total	3,159	100.00	348,991,000	100.00

Remarks:

* Less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial shareholders	No. of shares held			
	Direct	%	Indirect	%
Prestar Resources Berhad	118,656,619	34.00	-	-
Formula Naga Sdn. Bhd.	109,616,379	31.41	-	-
Dato' Toh Yew Peng	1,000,000	0.29	⁽¹⁾ 125,183,619	35.87
Toh Yew Keat	-	-	⁽¹⁾ 125,183,619	35.87
Fabulous Essence Sdn. Bhd.	4,690,000	1.34	⁽²⁾ 118,656,619	34.00
Y.K. Toh Property Sdn. Bhd.	1,837,000	0.53	⁽²⁾ 118,656,619	34.00
Lim Choon Teik	4,000,000	1.15	⁽³⁾ 109,616,379	31.41
Lee Meng Yim	3,570,000	1.02	⁽³⁾ 109,616,379	31.41

Note:

⁽¹⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Prestar Resources Berhad, Fabulous Essence Sdn. Bhd. and Y.K. Toh Property Sdn. Bhd.

⁽²⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Prestar Resources Bhd.

⁽³⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Formula Naga Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

Directors	Nationality	--Direct interest--		--Indirect interest--	
		No. of shares held	%	No. of shares held	%
Dato' Kalsom binti Abd. Rahman	Malaysian	120,000	0.03	-	-
Lim Choon Teik	Malaysian	4,000,000	1.15	⁽¹⁾ 109,616,379	31.41
Foong Kok Chuin	Malaysian	695,000	0.20	-	-
Sim Puei Chun	Malaysian	120,000	0.03	-	-
Khaw Chooi Kee	Malaysian	100,000	0.03	-	-
Rusdy Bin Ishak	Malaysian	120,000	0.03	-	-
Ir. Tan Tiong Ben	Malaysian	-	-	-	-
Dato' Toh Yew Peng	Malaysian	1,000,000	0.29	⁽²⁾ 125,183,619	35.87
Toh Yew Seng	Malaysian	550,000	0.16	-	-
Koay Kah Ee	Malaysian	400,000	0.12	-	-

Note:

⁽¹⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Formula Naga Sdn. Bhd.⁽²⁾ Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Prestar Resources Berhad, Fabulous Essence Sdn. Bhd. and Y.K. Toh Property Sdn. Bhd.**THIRTY (30) LARGEST SHAREHOLDERS**

No.	Shareholders	No. of shares held	Percentage (%)
1.	PRESTAR RESOURCES BERHAD	118,656,619	34.00
2.	FORMULA NAGA SDN. BHD.	109,616,379	31.41
3.	TEH JIAN YANG	5,150,000	1.48
4.	FABULOUS ESSENCE SDN. BHD.	4,476,000	1.28
5.	LEE MENG YIM	3,570,000	1.02
6.	LIM CHOON TEIK	3,450,000	0.99
7.	M & A NOMINEE (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR HIGHSSCALE CAPITAL SDN. BHD.)	3,275,800	0.94
8.	TEH GEIK SIM	1,984,200	0.57
9.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR WONG LEY BENG)	1,699,000	0.49
10.	M & A NOMINEE (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR TEH GEIK SIM)	1,600,000	0.46
11.	LEE YUE HAN	1,548,600	0.44
12.	OOI SOO KWANG	1,544,100	0.44
13.	TEOH CHA HAI	1,276,600	0.37
14.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON)	1,264,900	0.36
15.	TEH JIAN YANG	1,223,700	0.35
16.	Y.K. TOH PROPERTY SDN. BHD.	1,119,000	0.32
17.	M & A NOMINEE (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR LIM LEE TEANG)	1,068,000	0.31

THIRTY (30) LARGEST SHAREHOLDERS (Cont'd)

No.	Shareholders	No. of shares held	Percentage (%)
18.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. <i>(PLEDGED SECURITIES ACCOUNT FOR DATO' TOH YEW PENG)</i>	1,000,000	0.29
19.	KHOR KENG SAW @ KHAW AH SOAY	982,200	0.28
20.	CHIN WAI KEONG	928,000	0.27
21.	TEH LI JUN	834,100	0.24
22.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. <i>(CIMB FOR LOO CHONG PENG)</i>	790,000	0.23
23.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. <i>(PLEDGE SECURITIES ACCOUNT FOR EYO SZE GUAN)</i>	778,100	0.22
24.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. <i>(PLEDGED SECURITIES ACCOUNT FOR LIM KIAM LAM)</i>	749,900	0.21
25.	Y. K. TOH PROPERTY SDN. BHD.	718,000	0.21
26.	OOI ENG TEONG	700,000	0.20
27.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. <i>(PLEDGED SECURITIES ACCOUNT FOR SIN HUAN KWANG)</i>	694,500	0.20
28.	CHEE SEE GIAP @ SIN CHIEN	611,100	0.18
29.	TAN SOON HUANG	605,000	0.17
30.	YU, TINGTING	600,200	0.17

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No. of Shares held	CDS Account No.	Contact No.	Email Address

*I/We, _____ NRIC/Passport No./Registration No. _____
(FULL NAME IN BLOCK CAPITALS)

of _____
(FULL ADDRESS)

being a *member/members of TASHIN HOLDINGS BERHAD, hereby appoint:

First Proxy "A"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact No.		

*and/or

Second Proxy "B"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact No.		

*or the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the Sixth Annual General Meeting of the Company to be held on a virtual basis at the Broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 8 June 2023 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

No.	Resolutions	Resolution	For	Against
1.	To approve the payment of the single-tier final dividend of 2.0 sen per ordinary share for the financial year ended 31 December 2022.	1		
2.	To approve the payment of Directors' fees amounting to RM313,000.00 for the financial year ended 31 December 2022.	2		
3.	To approve an amount of up to RM40,000.00 as benefits payable to the Directors from 9 June 2023 until the next Annual General Meeting of the Company to be held in year 2024.	3		
4(a).	To re-elect Dato' Kalsom binti Abd. Rahman who retires pursuant to Clause 165 of the Company's Constitution.	4		
4(b).	To re-elect Mr. Lim Choon Teik who retires pursuant to Clause 165 of the Company's Constitution.	5		
4(c).	To re-elect Ir. Tan Tiong Ben who retires pursuant to Clause 165 of the Company's Constitution.	6		
5.	To re-appoint BDO PLT as the Company's External Auditors until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.	7		
As Special Business:				
6(a).	Ordinary Resolution 1 - Authority to issue shares pursuant to the Companies Act 2016.	8		
6(b).	Ordinary Resolution 2 - Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	9		
7.	Special Resolution - Proposed amendments to the Constitution of the Company.	10		

* Strike out whichever not applicable.



Signed this _____ day of _____, 2023

Signature of Member/Common Seal

Notes:

1. In respect of deposited securities, only shareholders of the Company whose names appear in the Record of Depositors on 1 June 2023 shall be eligible to attend the Meeting.
2. A shareholder of the Company entitled to attend, participate, speak and vote at the Meeting is entitled to appoint one (1) or more proxies (who need not be a shareholder of the Company) to attend, participate, speak and vote for him/her but where that shareholder of the Company appoints more than one (1) proxy, he/she must specify the proportion of his/her shareholdings represented by each proxy.
As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all shareholders, proxies and/or corporate representatives shall communicate with the main venue of the 6th AGM of the Company via real-time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 6th AGM of the Company as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, shareholders, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcasted and responded to by the Chairman/Board of Directors/relevant advisers during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.
3. The instrument appointing a proxy shall be in writing and in the case of an individual, shall be signed by the appointor or by his attorney; and in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.
4. Where a shareholder of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Appointment of proxy and registration for remote participation and voting
The instrument appointing a proxy shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof. The proxy appointment may also be lodged electronically via Securities Services e-Portal at <https://www.sshsb.net.my/>. The lodging of the Form of Proxy will not preclude any shareholder from participating and voting remotely at the Meeting should any shareholder subsequently wishes to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the 6th AGM of the Company or at any adjournment thereof. All resolutions set out in this Notice of Meeting are to be voted by poll.
Should you wish to personally participate in the Meeting remotely, please register electronically via Securities Services e-Portal at <https://www.sshsb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for the 6th AGM for further details.
The Administrative Guide for the 6th AGM is available for download at www.tashin.com.my.

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STAMP

The Company Secretary
Tashin Holdings Berhad
201701028709 (1242878-H)

Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan

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www.tashin.com.my

TASHIN HOLDINGS BERHAD

201701028709 (1242878-H)

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