

# TASHIN

TASHIN HOLDINGS BERHAD  
201701028709 (1242878-H)



ANNUAL REPORT  
**2023**

INNOVATION, EXCELLENCE, AMBITION

## Inside This Report

### Overview

Notice of Annual General Meeting	2
Corporate Information	7
Group Financial Highlights	8
Corporate Structure	9
Management Discussion and Analysis	10
Board of Directors' Profile	13
Profile of Key Senior Management	17

### Sustainability

Sustainability Statement	19
--------------------------	----

### Governance

Corporate Governance Overview Statement	54
Additional Compliance Information	67
Statement on Risk Management and Internal Control	68
Audit Committee Report	70
Statement of Directors' Responsibility	72

### Financial Statements

Directors' Report	73
Statement by Directors	77
Statutory Declaration	77
Independent Auditors' Report	78
Statements of Financial Position	81
Statements of Profit and Loss and Other Comprehensive Income	83
Consolidated Statement of Changes In Equity	84
Statement of Changes in Equity	86
Statements of Cash Flows	87
Notes to the Financial Statements	89

### Additional Information

List of Properties	126
Statistics of Shareholdings	127
Form of Proxy	Enclosed

## INNOVATION, EXCELLENCE, AMBITION

In embracing Tashin Holdings Berhad's commitment to innovation, we continually seek ambitious solutions and pioneer new paths to innovate every sector of our businesses. Excellence is at the heart of our operations, where meticulous attention to quality and reliability defines our products and services. Ambition drives our forward trajectory, propelling us to navigate new opportunities and chart a course of sustainable growth.

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Seventh Annual General Meeting ("**7<sup>th</sup> 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, 6 June 2024 at 10:00 a.m. for the following purposes:-

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 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 1.5 sen per ordinary share for the financial year ended 31 December 2023. *(Resolution 1)*
3. To approve the payment of Directors' fees amounting to RM344,300.00 for the financial year ended 31 December 2023. *(Resolution 2)*
4. To approve an amount of up to RM40,000.00 as benefits payable to the Directors from 7 June 2024 until the next Annual General Meeting of the Company to be held in year 2025. *(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' Toh Yew Peng; *(Resolution 4)*
  - (b) Mr. Toh Yew Seng; *(Resolution 5)*
  - (c) Mr. Koay Kah Ee; and *(Resolution 6)*
  - (d) Mr. Foong Kok Chuin. *(Resolution 7)*
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 8)*
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 resolutions:

#### (a) ORDINARY RESOLUTION 1

##### - **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

"**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 9)*

## Notice of Annual General Meeting

### 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 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 30 April 2024 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 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 1.5 sen per ordinary share in respect of the financial year ended 31 December 2023, if approved by shareholders of the Company, will be payable on 12 July 2024 to shareholders of the Company whose names appear in the Record of Depositors on 21 June 2024.

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 21 June 2024 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  
30 April 2024

## Notice of Annual General Meeting

### Explanatory Notes to Ordinary Business:

1. Audited Financial Statements for the financial year ended 31 December 2023

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 2023. Hence, this Agenda item is not put forward for voting.

2. Resolutions 4 to 7 – 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 one-third (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, four (4) 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 7<sup>th</sup> 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; and
- (ii) Fit and proper assessment.

Based on the results of the abovementioned evaluations, the Board of Directors considered that the performance of Dato’ Toh Yew Peng, Mr. Toh Yew Seng, Mr. Koay Kah Ee and Mr. Foong Kok Chuin (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 meeting of the Board of Directors.

### Explanatory Notes to Special Business:

1. Resolution 9 - Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

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 Sixth Annual General Meeting of the Company held on 8 June 2023, which will lapse at the conclusion of the 7<sup>th</sup> 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.

## Notice of Annual General Meeting

### Explanatory Notes to Special Business: (Cont'd)

1. Resolution 9 - Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights (Cont'd)

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

Section 85(1) of the Companies Act 2016	Clause 31 of the Company's Constitution
<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 <b>Company</b> in <b>General Meeting</b> does not direct in a different way:</p> <p>31.1. new shares or <b>convertible securities</b> must be offered, before issue, to <b>shareholders</b> entitled to receive notices from the <b>Company</b> of <b>General Meetings</b>;</p> <p>31.2. the offer must, as far as circumstances allow, be in proportion to the amount of <b>existing shares</b> or <b>securities</b> to which such <b>shareholders</b> are entitled;</p> <p>31.3. the offer must be by a notice which specifies the number of shares or <b>securities</b> 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 <b>shareholders</b> decline to accept the offer, the <b>Board</b> may dispose of those shares or <b>securities</b> in a way which they decide as most beneficial to the <b>Company</b>;</p> <p>31.5. the <b>Board</b> may also dispose of any new share or <b>security</b> which the <b>Board</b> considers cannot be conveniently offered under this <b>Clause 31</b> on grounds of the ratio which the new shares or <b>securities</b> bear to shares or <b>securities</b> held by <b>shareholders</b> entitled to such an offer.</p>

2. Resolution 10 - 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 Sixth Annual General Meeting of the Company held on 8 June 2023 ("**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.

## Notice of Annual General Meeting

### Notes:

1. In respect of deposited securities, only shareholders of the Company whose names appear in the Record of Depositors on 30 May 2024 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 7<sup>th</sup> 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 7<sup>th</sup> 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](mailto:eservices@sshb.com.my) during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcast 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 who 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 the Securities Services e-Portal at <https://www.sshb.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 wish 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 7<sup>th</sup> 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 the Securities Services e-Portal at <https://www.sshb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for the 7<sup>th</sup> AGM for further details.

The Administrative Guide for the 7<sup>th</sup> AGM is available for download at [www.tashin.com.my](http://www.tashin.com.my).

## Corporate Information

### 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

### Sustainability Committee

#### Ir. Tan Tiong Ben

Chairman

#### Sim Puei Chun

Member

#### Rusdy bin Ishak

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  
Email Address: info@sshb.com.my

### 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  
Email Address:  
enquiries@tashin.com.my  
Website:  
www.tashin.com.my

### 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: info@sshb.com.my

### Company Secretaries

#### Chua Siew Chuan

(SSM PC No. 201908002648)  
(MAICSA 0777689)

#### Chin Mun Yee

(SSM PC No. 201908002785)  
(MAICSA 7019243)

### Stock Exchange Listing

#### ACE Market of Bursa Malaysia Securities Berhad

Stock Name:  
TASHIN  
Stock Code:  
0211  
Sector:  
Industrial Products & Services  
Sub-sector:  
Metals





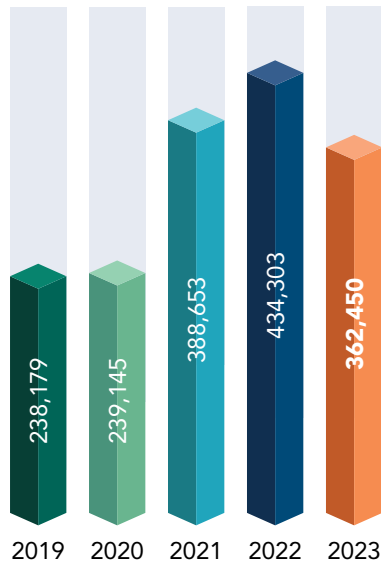
## Group Financial Highlights

(RM'000)	2019	2020	2021	2022	2023
Revenue	238,179	239,145	388,653	434,303	362,450
Profit before tax	1,492	12,019	84,195	17,308	9,291
Profit attributable to owners of the parent	398	9,268	62,619	13,125	6,166
Total assets	253,207	249,708	399,158	377,561	337,309
Equity attributable to owners of the parent	188,090	197,358	256,207	258,862	258,047
EBITDA <sup>#</sup>	6,219	16,199	89,527	24,821	17,050
Net assets per share* (RM)	0.54	0.57	0.73	0.74	0.74
Earning per share* (sen)	0.12	2.66	17.94	3.76	1.77

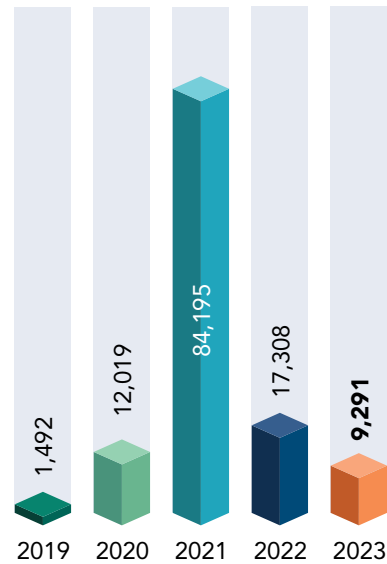
<sup>#</sup> Earnings before interests, depreciation, tax and amortisation

\* attributable to owners of the Company

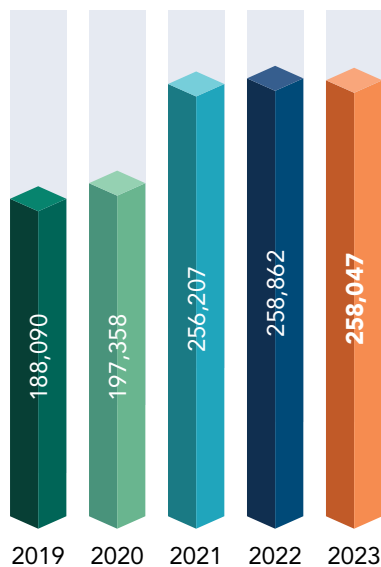
### Revenue



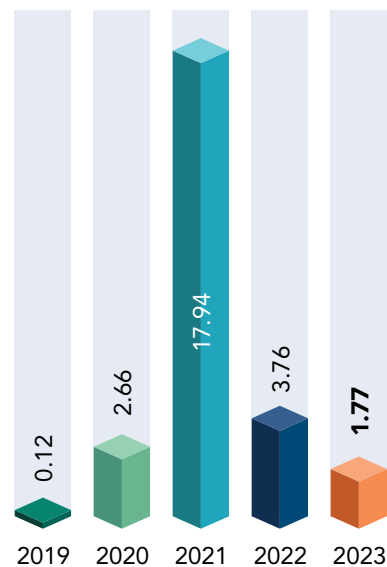
### Profit Before Tax



### Equity Attribute to Owners of the Parent



### Earning Per Share



## Corporate Structure

**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	Registration 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

## Management Discussion And Analysis



### 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 2023 ("FYE 2023") as compared to the financial year ended 31 December 2022 ("FYE 2022") are as follows:

PROFITABILITY	FYE 2023	FYE 2022	VARIANCE	
	RM'000	RM'000	RM'000	%
Revenue	362,450	434,303	(71,853)	(16.54)
Gross profit	29,520	34,210	(4,690)	(13.71)
Other operating income	2,336	4,090	(1,754)	(42.89)
Profit before taxation	9,291	17,308	(8,017)	(46.32)
Profit attributable to owners of the parents	6,166	13,125	(6,959)	(53.02)

FINANCIAL POSITION	FYE 2023	FYE 2022	VARIANCE	
	RM'000	RM'000	RM'000	%
Shareholder equity	258,047	258,862	(815)	(0.31)
Total assets	337,309	377,561	(40,252)	(10.66)
Inventories	106,425	108,984	(2,559)	(2.35)
Trade and other receivables	75,533	85,380	(9,847)	(11.53)
Total borrowing	41,331	67,042	(25,711)	(38.35)
Gearing (times)	0.16	0.26	(0.10)	(38.46)

The business environment in the steel industry for year 2023 is challenging amid weak global demand. The economy's growth moderated due to a challenging external environment of slower global trade, geopolitical tensions and tighter monetary policies.

The Group's financial performance for FYE 2023 as compared with FYE 2022 decreased significantly in terms of profit before taxation and net profit mainly due to lower sales volume and revenue. The profit before taxation has decreased 46.32% to RM9.29 million in FYE 2023 as compared to RM17.31 million recorded in FYE 2022.

The Group's total revenue for FYE 2023 decreased 16.54% to RM362.45 million from RM434.30 million recorded in FYE 2022. The total cost of sales of the Group for FYE 2023 was RMRM332.93 million against RM400.09 million recorded in FYE 2022. The decrease in the total cost of sales of the Group was broadly in line with the lower average material cost and revenue of the Group recorded during FYE 2023.

During FYE 2023, other operating income decreased by RM1.75 million to RM2.34 million as compared to RM4.09 million recorded in FYE 2022. The Group's finance cost decreased by RM0.37 million to RM2.62 million as compared to RM2.99 million in FYE 2022 mainly due to lower utilisation of bank facilities to finance raw material purchases in year 2023.

## Management Discussion And Analysis

### FINANCIAL REVIEW (Cont'd)

#### Financial Position

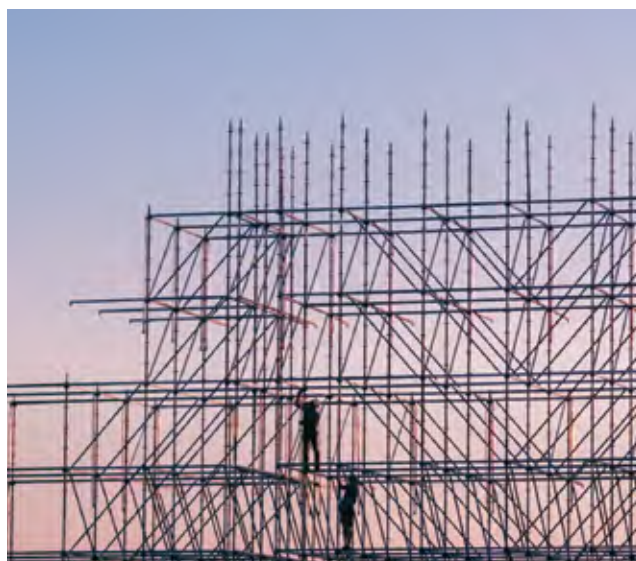
The Group's financial position remained unchanged with the total equity maintained at RM258 million as at 31 December 2023. The Group's total assets as at 31 December 2023 had decreased to RM337.31 million from RM377.56 million recorded in FYE 2022 mainly due to lower holding stock and trade receivables in FYE 2023.

The Group's bank borrowings as at 31 December 2023 had decreased by 38% to RM41.33 million as compared to RM67.04 million in the previous year. The Group's gearing ratio reduced to 0.16 times as at 31 December 2023 as compared to 0.26 times in the previous year in line with lower total borrowing in FYE 2023.

#### DIVIDEND

The Board of Directors of the Company ("the Board") had earlier paid a single-tier final dividend of 2.0 sen per ordinary share in respect of FYE 2022. The Board had also recommended a single-tier final dividend of 1.5 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 6 June 2024, representing 84.90% of the Group's profit after taxation for FYE 2023.

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

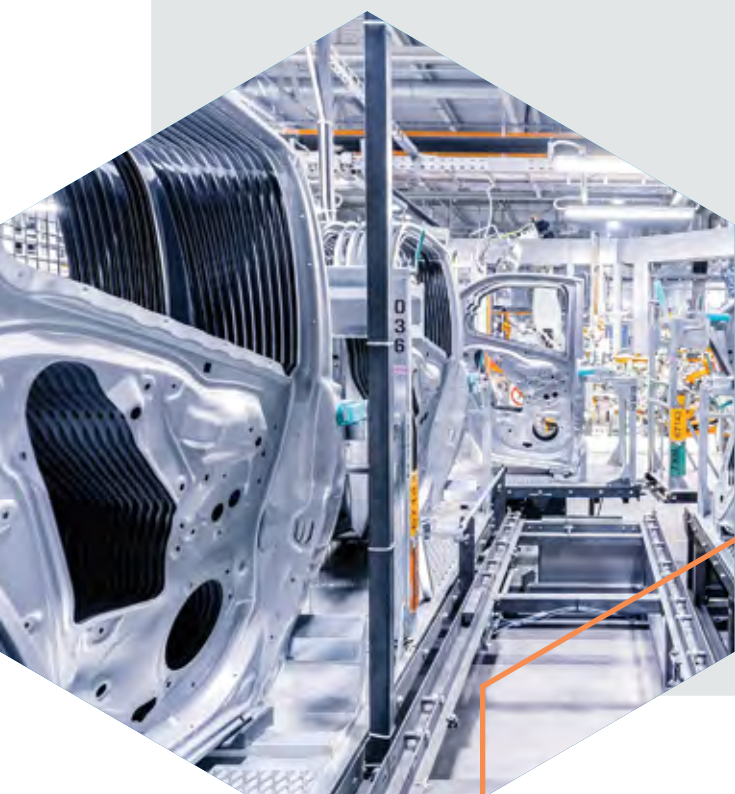
The Group has completed the acquisition of industrial land and factory buildings in Seberang Perai, Penang in FYE2022. In total, the Group owns three (3) factories with head-office buildings sited on 20 acres of land in Seberang Perai, Penang. Through our subsidiaries, Tashin Steel Sdn. Bhd. and Tashin 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.

#### INFORMATION AND COMMUNICATION TECHNOLOGY ("ICT")

The Group had allocated approximately RM0.28 million during FYE 2023 to maintaining and upgrading ICT hardware and software.



## Management Discussion And Analysis

### 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) Fire risk – Fire perils are a major risk for the Group. The Group had put in place adequate insurance coverage and developed and implemented various action plans and protection measures to mitigate the potential damages and losses from fire perils. Regular audit and surveillance checks on fire fighting equipment were also carried out in year 2023.
- (b) 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.
- (c) 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.
- (d) Inventories risk – The carrying amount of inventories as at 31 December 2023 was RM106.42 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.
- (e) 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 systems of an organisation are the major entry points for various types of computer viruses, hackers and scammers, risking important data being breached and leaked or eliminated. The Group has implemented an IT and email policy which includes the policy on internet access authority, firewall, anti-spam & antivirus applications, data backup and important data security for the Group to manage and mitigate the cyber risk.

### FUTURE PROSPECTS

The Malaysian economy for the upcoming year is projected to grow between 4% to 5% by Bank Negara with continued expansion in domestic demand and improvement in export market.

Moving forward, the Group will continue its cautious and pragmatic strategy to increase production capacity and execute a marketing plan to drive sales growth, automate its production facilities and other operations to improve production efficiency, reduce reliance on foreign workers, and consolidate existing resources and gear for organic growth from within.

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 committed to integrating sustainability into the way we do business through Economic, Environment, Social & Governance (EESG) strategies.

## Board of Directors' Profile

### Dato' Kalsom Binti Abd. Rahman

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 Investin-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

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 year 2004 respectively. 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.

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

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 Holdings Berhad group of companies ("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.



## Board of Directors' Profile

### Sim Puei Chun

Senior Independent  
Non-Executive Director  
(Appointed to the Board on 10 January 2018)

AGE  
66

Nationality  
Malaysian

Gender  
Male

Mr. Sim Puei Chun ("Mr. Sim") is the Chairman of the Nomination Committee and a member of the Remuneration Committee and Sustainability 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.

### Khaw Chooi Kee

Independent  
Non-Executive Director  
(Appointed to the Board on 10 January 2018)

AGE  
57

Nationality  
Malaysian

Gender  
Female

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.

### Rusdy Bin Ishak

Independent  
Non-Executive Director  
(Appointed to the Board on 10 January 2018)

AGE  
47

Nationality  
Malaysian

Gender  
Male

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

## Board of Directors' Profile

### Ir. Tan Tiong Ben

Independent

Non-Executive Director

(Appointed to the Board on 18 April 2018)

AGE  
67

Nationality  
Malaysian

Gender  
Male

Ir. Tan Tiong Ben ("Ir. Tan") is the Chairman of the Sustainability Committee and 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

Non-Independent

Non-Executive Director

(Appointed to the Board on 18 April 2018)

AGE  
71

Nationality  
Malaysian

Gender  
Male

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.

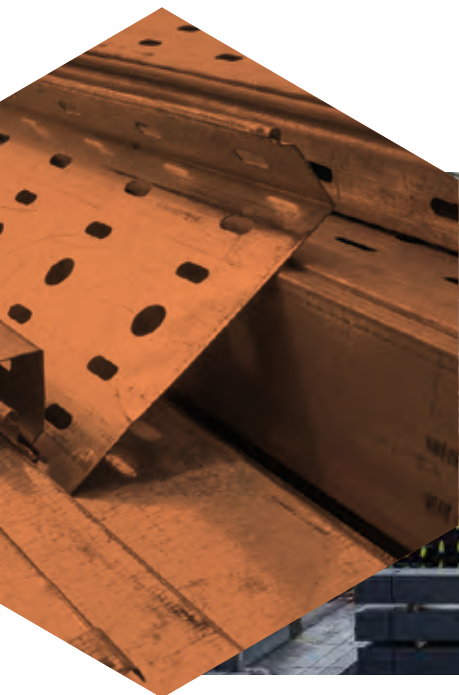
Dato' Toh sits on the Board of Prestar, a public company listed on the Main Market of Bursa Malaysia Securities Berhad. He does not sit on any Board Committee of the Company. He also sits on Board of several other private limited companies.

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





## Board of Directors' Profile



### Toh Yew Seng

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 Resources Berhad ("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 Yew Peng, a Non-Independent Non-Executive Director and major shareholder of the Company.

### Koay Kah Ee

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 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.

### 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 2023, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

## Profile of Key Senior Management



### Teh Jian Yang

General Manager and Director  
Tashin Steel Sdn. Bhd.  
Tashin Hardware Sdn. Bhd.

AGE	Nationality	Gender
36	Malaysian	Male

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.

### Tan Keng Hor

Assistant General Manager  
Tashin Steel Sdn. Bhd.  
Tashin Hardware Sdn. Bhd.

AGE	Nationality	Gender
61	Malaysian	Male

Mr. Tan Keng Hor ("Mr. Tan") is responsible for the sales and marketing activities in the trade of finished steel products of the Company and its subsidiaries ("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.

### Goo Kong Hua

Assistant General Manager  
Tashin Steel Sdn. Bhd.  
Tashin Hardware Sdn. Bhd.

AGE	Nationality	Gender
57	Malaysian	Male

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.

## Profile of Key Senior Management

### Ma Swi Teok

Assistant General Manager  
Tashin Steel Sdn. Bhd.  
Tashin Hardware Sdn. Bhd.

AGE	Nationality	Gender
50	Malaysian	Male

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 material from the foreign suppliers of the Company and its subsidiaries 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.

### Tang Meng Kean

Assistant General Manager  
Tashin Steel Sdn. Bhd.  
Tashin Hardware Sdn. Bhd.

AGE	Nationality	Gender
51	Malaysian	Male

Mr. Tang Meng Kean ("Mr. Tang") is responsible for the sales and marketing activities in the trade of finished steel products of the Company and its subsidiaries ("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 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 THSB).

## 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 2023, as well as any public sanction or penalty imposed by the relevant regulatory bodies.



## Sustainability Statement

### ABOUT THIS REPORT

Tashin Holdings Berhad (“Tashin” or “the Company”) and its subsidiaries (“Group”) consider sustainability as a core of its business model when it comes to creating economic value creation within its business ecosystem. Tashin is principally an investment holding company with subsidiary companies mainly engaged in the steel-related sector encompassing both manufacturing and trading activities.

The Company presents its Sustainability Statement 2023 (“SS2023”), which showcases comprehensive information on its sustainability practices, demonstrating its dedication to responsible business operations and fostering trust among its stakeholders. The Company further expressed its commitment to create both financial and non-financial values for its key stakeholders while supporting environmental stewardship and socio-economic development.

Ultimately, this report is focusing on Tashin’s commitment to strengthening the Company’s sustainability ambitions.

### REPORTING FRAMEWORKS APPLIED

Tashin’s SS2023 is prepared in alignment with the Sustainability Reporting Guidelines (Third Edition) of Bursa Malaysia Securities Berhad (“Bursa Securities”) ACE Market Listing Requirements. The report is also guided by other frameworks, as below:

### GUIDELINES AND FRAMEWORKS



Tashin’s SS2023 has incorporated the Global Reporting Initiatives (“GRI”) principles of involving stakeholders, considering sustainability context, identifying material topics, and ensuring completeness, accuracy, balance, clarity, comparability, reliability, and timeliness in the selection of subjects and information to be included. Other frameworks and guidelines referenced in the preparation of this report include:

- Sustainability Accounting Standards Board (SASB) Standards
- Carbon Disclosure Project (CDP) Reporting
- Malaysian Code on Corporate Governance (“MCCG”) 2021
- ISO 26000 - Guidance on Social Responsibility

### REPORTING PERIOD AND CYCLE

The SS2023’s reporting period is from 31 January 2023 to 31 December 2023 (“FY2023”). This is also known as the financial year end 31 December 2023, unless otherwise stated. Some disclosures in SS2023 may show historical statistical data, where deemed appropriate, to illustrate significant trends for readers to better understand Tashin’s comparative performances. The reporting cycle for Tashin’s SS2023 is annually.

### STATEMENT OF USE

The SS2023 was prepared by the Company’s Management team and was subsequently approved by the Board of Directors (“Board”) on 2 April 2024. The Board is Tashin’s top decision-making body and thus acknowledges responsibility for this statement of use.

### MEMBERSHIP IN ASSOCIATIONS

As Tashin commits to pursuing more sustainable industrial practices, the Group holds memberships in various industry associations. This allows Tashin to support the implementation of sustainability best practices and promote sustainability awareness across the Company’s value chain. Following are the memberships associated with Tashin:

- Malaysian Iron and Steel Industry Federation (MISIF)
- Malaysia Steel and Metal Distributors’ Association (MSMDA)
- Federation of Malaysian Manufacturers (FMM)
- Malaysian Employers Federation (MEF)
- Penang Hardware and Machinery Merchant’s Association

## Sustainability Statement

### ABOUT THIS REPORT (Cont'd)

#### REPORTING SCOPE AND BOUNDARY

The scope of SS2023 includes the business operations and activities of the Company as well as all subsidiaries within the Group. These subsidiaries are divided into two primary business segments as below:

Entity	Tashin Holdings Berhad	Tashin Steel Sdn. Bhd	Tashin Hardware Sdn. Bhd.
Principal Activities	Investment Holding	Manufacturing and selling of steel products	Manufacturing and trading of steel material and general hardware products

The SS2023 discloses how Tashin managed its Environmental, Social and Governance (“ESG”) topics and the outcomes, highlights and performances throughout the financial year, as well as the challenges faced, and the plans moving forward on how the Company manages these challenges.

The report content, quality and scope are aligned with the prioritisation of its materiality topics that are deemed significant to the Company. Tashin is cognisant of potential significant Economic, Environmental, Social and Governance (“EESG”) impacts from its business value chain. Hence, the Company is committed to gradually cascading its sustainability best practices to its internal and eventually external stakeholders. The Company also plans to disclose its value chain partners’ ESG performance in future reporting.

Readers are encouraged to read SS2023 along with the entirety of Tashin’s Annual Report 2023 for a concrete understanding of the Company’s business outlooks and how sustainability drives its value creation strategies.

#### EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

While Tashin acknowledges that there may be ESG impacts throughout its value chain, the effects of outsourced activities are currently not included in this report.

Tashin is dedicated to integrating sustainability practices along its entire subsidiaries and disseminating its ESG commitments to its business partners, suppliers, and contractors. The Company is also in the process of implementing a more comprehensive ESG data collection process to address any remaining gaps in its sustainability reporting within its operations.

#### FORWARD-LOOKING STATEMENTS

SS2023 includes forward-looking statements on Tashin’s future strategies, targets, operations and performance aligned with projections rationale based on the current business directions. As with any other business, Tashin is subjected to risks and unforeseen events beyond its control. Thus, the Company advises readers not to depend solely on these statements as actual outcomes may vary.

#### ASSURANCE

All data has been internally sourced and verified by the relevant business units or Senior Management to ensure its accuracy and quality. Tashin is expected to undertake the internal assurance exercise for the financial year 2024.

#### REPORT AVAILABILITY

The SS2023 can be accessed from the Company’s corporate website at [www.tashin.com.my](http://www.tashin.com.my)

#### FEEDBACK AND INQUIRIES

Tashin values feedback from its stakeholders and welcomes any enquiries to continually progress towards the improvement of the Company. The contact details are as below:

**Mr. KC Foong**  
 Chief Financial Officer  
 Tel: +604-5090888 (Head Office)  
 Email: [enquiries@tashin.com.my](mailto:enquiries@tashin.com.my)

## Sustainability Statement

### CHAIRPERSON'S MESSAGE

#### Dear Valued Shareholders,

During the year in review, we continued executing our commitment to integrating sustainability into the way we do business through the Company's strategy while being fully mindful of the need to adapt to external influences, particularly on the steel sector competitiveness. As we continue to build on our collective EESG goals, we are conscious of the broad spectrum of challenges and opportunities. The more important contention would be how our contributions affect the communities where we operate.

#### Embracing a Significant Mission

A major development this year is our commitment to comply with the Bursa Securities Sustainability Reporting Framework on Sustainability Statement for ACE Market Listing Requirements. Tashin has engaged an external consultant to provide a dedicated roadmap toward attaining key objectives on our sustainability adoption journey. A clear and achievable roadmap has been developed within Tashin with various milestones. Internally, the plans and initiatives have been further embedded within the Company's people and operations to ensure the sustainability adoption will be meaningful and successful.

With this robust plan established, Tashin is on the right track, ahead of the timeline provided by Bursa Securities for ACE Market companies, in meeting the necessary reporting requirements.

The SS2023 would highlight the Company's commitment to aspects such as the governance of sustainability objectives and our aim to manage the risks and opportunities highlighted in the Materiality Assessment exercise. The Board and Management are aligned on the challenges faced by the business operations and thus committed to delivering a sustainable future for our business and the people and communities that depend on it.

#### Strengthening Governance

We have made good progress in our governance pillars. Given that the stakeholders have also selected Environmental and Social Compliance as a material topic of our business, the Company will continue ensuring a high level of compliance across all aspects of operations as these factors are akin to our Company's license to operate. Going forward, the Company will also conduct the necessary assessments on how changing environmental conditions brought on by climate change may be impacting site operations i.e., heatwaves, torrential rain, and others.

#### The Journey Continues

Given the urgency globally for the steel industry to decarbonise, both for its own survival and for the good of the planet, it is imperative for us as a steel player in Malaysia to find solutions that overcome the negative perspectives on steel production and more importantly to pursue ESG adoption at a higher pace. By being ready to adapt to critical changes in our Company and industry, we will be better equipped to manage relevant risks and be able to provide our investors with a well-informed perspective on our actions. While our sustainability reporting process has achieved new milestones, we are committed to making substantial progress in the coming years, leading to more comprehensive disclosures and more importantly, integration into our strategies and daily operations. We will continue to shine a light on our businesses, our processes, and our performance, as well as how we intend to deliver value for all our stakeholders. Together, let us forge ahead and create a brighter and more sustainable future for our industry and our nation as a whole.

Dato' Kalsom binti Abd. Rahman  
Independent Non-Executive Chairperson

## Sustainability Statement

### SUSTAINABILITY GOVERNANCE

Leveraging from the discovery of Tashin's material sustainability matters, the Board has embraced the importance of establishing sustainability as part of its Board-level structure. The Board is responsible for deliberating the overall scope of sustainability and ESG priorities which will then be integrated into the Company's strategies, operations and key targets. The results of these deliberations are communicated to Tashin's Senior Management in internalising the initiatives into the Company's daily operations.

Tashin has successfully set up a new Board Sustainability Committee whose main purpose is to fulfil its oversight responsibilities in relation to the Company's sustainability strategy and initiatives covering EESG aspects as well as embedding sustainability practices into the businesses.

The establishment of a dedicated Board Sustainability Committee is in line with Bursa Securities' recommended best practices for greater Board oversight and participation in ESG matters. The new governance structure will ensure ESG risks and concerns such as climate change and labour matters are given ample space for effective assessment of impact. Board-level involvement will also ensure a stronger ESG push across the Company. This supports effective data collection, reporting and engagement with regulators, rating frameworks and more.

The Sustainability Committee's objectives are as follows:

- 1.1 Oversee the implementation of the sustainability policy, framework and commitments in identifying and managing the EESG adoption across the Company's business operations;
- 1.2 Oversee the formulation and implementation of initiatives and programmes to address and support the Company's sustainability journey;
- 1.3 Evaluate and advise the Board on significant strategic activities and policies regarding sustainability practices and initiatives, as well as establishing goals and strategy;
- 1.4 Assist the Board in fulfilling its oversight responsibilities in relation to the Company's sustainability strategy and initiatives comprising EESG aspects;
- 1.5 Ensuring adequate and effective systems and resources allocated towards complying with the necessary guidelines and regulations pertaining to the Company's obligations on sustainability.

Tashin has a dedicated Audit Committee ("AC") and Risk Management Committee which can be referred to in the Company's Corporate Governance Report ("CG Report") or the Corporate Governance Overview Statement section of this Annual Report for more information. The CG Report also covers detailed disclosures related to Tashin's corporate governance and is available for download at <https://www.tashin.com.my>.

### SUSTAINABILITY GOVERNANCE APPROACH

Tashin's sustainability governance structure ensures the delivery of its sustainability commitments and maintains the highest level of integrity across its operations. This structure clearly outlines the roles and responsibilities of its leadership team on policy and direction, cascading the commitments and initiatives to the Management and workforce towards enabling efficient planning and execution of the Company's strategic sustainability objectives.

Here is Tashin's sustainability governance structure:

Governance Structure	Roles and Responsibilities
Board	BOARD OF DIRECTORS
	<b>Approver</b> <ul style="list-style-type: none"> <li>Oversees overall Tashin sustainability commitment</li> <li>Approves Tashin's sustainability commitment, pillars and strategic priorities</li> </ul>
Committee	SUSTAINABILITY
	<b>Endorser</b> <ul style="list-style-type: none"> <li>Oversees the scope of sustainability – EESG</li> <li>Provides oversight on Tashin sustainability strategies, communication plan and compliance</li> </ul>
Management	SUSTAINABILITY WORKING GROUP
	<b>Secretariat</b> <ul style="list-style-type: none"> <li>Ensure smooth coordination and implementation of the sustainability strategy within the EESG pillars</li> </ul>

## Sustainability Statement

### SUSTAINABILITY GOVERNANCE (Cont'd)

#### SUSTAINABILITY POLICY, FRAMEWORK AND KEY COMMITMENTS

To further strengthen its sustainability governance, Tashin has created the relevant policy, framework and key commitments to drive its sustainability agenda. In essence, the Sustainability Policy highlights Tashin's recognition of its duty to operate responsibly while simultaneously striving to create shared value, preserve the environment, contribute to society, and achieve its business objectives in the steel sector. The Company will comply with all applicable laws in all of its operations and minimise risks and impacts through the development of robust systems, processes and resources to ensure that its commitments are fulfilled and realised.

The concurrently established Sustainability Framework embeds a structured approach in defining the objectives and targets set toward the successful adoption of EESG principles in the business strategies and conduct of the Company. The framework maps out the detailed aspects of the initiatives, the required resources and tools, involvement of parties, and Tashin is committed to adopting and implementing sustainable practices to meet its ESG goals while achieving the right balance of the needs of the wider stakeholders.



#### SUSTAINABILITY FRAMEWORK

##### MISSION

To provide excellent quality products at a competitive prices

##### COMMITMENT

To support our mission, the company is firmly committed towards ensuring continued growth through our ability to attain and retain customers by way of offering product excellence, with reliable quality and at competitive pricing.

#### ESG PILLARS



##### ECONOMIC

*Profit, Cost Saving & Value Creation*

- Competitive Strategy and Product Quality
- Operational Efficiency
- Customer Satisfaction



##### ENVIRONMENTAL

*Enabling a low carbon emission & Environmental Stewardship*

- Renewable Energy
- Waste Management
- Resource Management



##### SOCIAL

*Empowering employees and communities*

- Safe Workplace
- Community Development



##### GOVERNANCE

*Embedding responsible business practices throughout our organization*

- Environmental & Social Regulatory Compliance
- Corporate Governance and Anti Corruption
- Human Rights and Labour Rights

#### STAKEHOLDER COMMUNICATIONS AND ENGAGEMENT

Collaborative effort between the Company, relevant stakeholders and the local community

#### PERFORMANCE DRIVEN KPIS AND TARGETS

Improve performance, compliance, and business achievements via data-supported performance goals and targets.

#### ORGANISATIONAL CULTURE

Encourage a sense of responsibility and sustainability throughout every aspect of our business operation

**STRATEGIC ENABLERS**



## Sustainability Statement

### SUSTAINABILITY GOVERNANCE (Cont'd)

#### SUSTAINABILITY POLICY, FRAMEWORK AND KEY COMMITMENTS (Cont'd)

The key ESG commitments and priorities of Tashin are detailed below:

ESG Priorities	Key Commitments	Drivers
<b>ECONOMIC</b> Ensure responsible management of assets and capital	i. Incorporate ESG considerations in Tashin's investment decisions ii. Develop a framework that links quality, competitive advantage, and organisational performance	<ul style="list-style-type: none"> <li>Process enhancement and transformation</li> <li>Customer feedback</li> </ul>
<b>ENVIRONMENTAL</b> Reduce carbon footprint	iii. Adoption of sustainable technology solutions and renewable energy iv. Reduce unit energy usage and effective management of waste and effluents	<ul style="list-style-type: none"> <li>Best practices, data tracking and industry benchmarking on energy usage and effluent management</li> <li>Appropriate measurement of resource usage</li> </ul>
<b>SOCIAL</b> Inculcate inclusivity, a safe workplace and improve society's well-being	v. Create positive social impacts on the community where we operate and provide a safe and healthy workplace for our workforce	<ul style="list-style-type: none"> <li>Enhance standards of Occupational Health and Safety ("OHS") rules and guidelines</li> <li>Impactful and meaningful corporate social responsibility ("CSR") activities with communities</li> </ul>
<b>GOVERNANCE</b> Adherence to the highest standard of integrity and ethical business conduct	vi. Undertake a comprehensive risk assessment to eliminate corrupt practices vii. Full adherence to Human and Labour Rights policies	<ul style="list-style-type: none"> <li>Good track record of operations with governing authorities</li> <li>Compliance with existing environmental regulations</li> </ul>

Underlying these priorities are obligations that the Company has pledged towards good governance which include sound and business ethics, viable policies and stewardship.

The sustainable transformation journey plays an important role in Tashin's future growth. Given the continuous adoption of ESG principles, Tashin will continue to realise its sustainability agenda, building on the momentum that has been set in place.

#### ESG TARGETS AND PERFORMANCE MEASUREMENT

Tashin is positioning itself well ahead on sustainability reporting and compliance against the Bursa Securities Sustainability Reporting Guideline (Third Edition) and has continued to ensure all disclosure requirements are in place within the timeline for ACE Market listed companies.

By the financial year 2025, the Company aims to set key performance indicators and targets for its ESG priorities. It will continue to seek opportunities to integrate sustainable practices into its operations. By aligning with and reporting on the Company's ESG initiatives and activities, Tashin will be able to achieve reasonable success on its overall targets. Successful adoption of ESG will also prepare Tashin to mitigate future related risks, preserving and safeguarding the Company's market value and assets, alongside prioritising financial returns.

#### BOARD COMPOSITION AND DIVERSITY

As of FY2023, Tashin's Board comprises ten Directors, five of which are Independent Non-Executive Directors ("INED"), with the Chairperson being an Independent Non-Executive Chairperson.

The Board is supported by Tashin's Management and various committees enacted to reinforce sustainability and corporate governance in the Group. Enclosed are some of the key roles and responsibilities of the Board and the Sustainability Committee in corporate and sustainability governance.

Role	Responsibilities	Composition
<b>Board</b> Retain overall responsibility for the Company's sustainability governance	<ul style="list-style-type: none"> <li>Takes charge of the Company's sustainability agenda</li> <li>Provides oversight on all sustainability and climate-related risks and opportunities</li> <li>Endorses the Company's sustainability initiatives</li> <li>Reviews and approves sustainability policies and disclosures</li> <li>Renders the ultimate assessment and authorisation concerning sustainability affairs within the Company</li> </ul>	Executive and Non-Executive Directors

## Sustainability Statement

### SUSTAINABILITY GOVERNANCE (Cont'd)

#### BOARD COMPOSITION AND DIVERSITY (Cont'd)

Role	Responsibilities	Composition
<b>Sustainability Committee</b> Responsible for establishing the Company's sustainability strategy and implementation of initiatives across the business	<ul style="list-style-type: none"> <li>Leads the implementation of sustainability initiatives at the Management level</li> <li>Formulates and executes material sustainability policy and strategies in accordance with the Board's directives</li> <li>Reports to the Board on the progress of sustainability initiatives</li> <li>Supervises and monitors the Company's advancements in sustainability programmes</li> </ul>	Three members of the Board, all are INEDs
	Working Group	Managing Director, Senior Management and Heads of Departments from various departments across Tashin

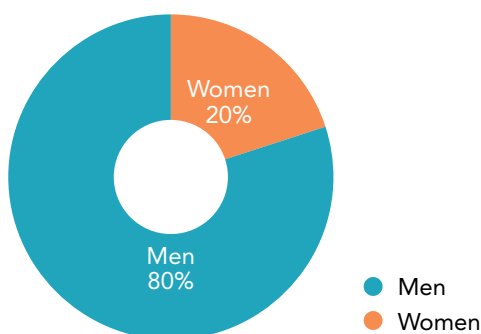
The Sustainability Governance Framework is reinforced by a strong collection of governance frameworks and policies that oversee sustainability at Tashin in the areas of finance, risk management, quality and governance.



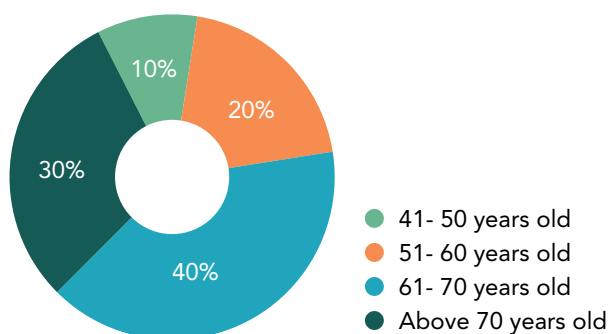
The complete terms of reference of the various Board Committees are available on the Company's corporate website at [www.tashin.com.my](http://www.tashin.com.my).

In an effort to bolster the Company's leadership and support decision-making, the Board is represented by qualified individuals with various expertise and professional experiences. This is partly reflected in its strong commitment to pledge gender diversity on the Board. As of FY2023, the Company's Board women members account for 20%. The Board affirms that the appointment of more woman representatives to the Board and Senior Management will be prioritised when vacancies arise and when suitable candidates are identified.

**Board Gender Composition**



**Board Age Composition**



## Sustainability Statement

### SUSTAINABILITY GOVERNANCE (Cont'd)

#### BOARD COMPOSITION AND DIVERSITY (Cont'd)

##### Dato' Kalsom binti Abd. Rahman (Madam)

- Independent Non Executive Chairperson

##### Rusdy bin Ishak

- Independent Non Executive Chairperson

##### Lim Choon Teik

- Managing Director

##### Ir. Tan Tiong Ben

- Independent Non-Executive Director

##### Foong Kok Chuin

- Executive Director / Chief Financial Officer

##### Dato' Toh Yew Peng

- Non-Independent Non-Executive Director

##### Sim Puei Chun

- Senior Independent Non-Executive Director

##### Toh Yew Seng

- Non-Independent Non-Executive Director

##### Khaw Chooi Kee (Madam)

- Independent Non-Executive Director

##### Koay Kah Ee

- Non-Independent Non-Executive Director

### CORPORATE GOVERNANCE PRACTICES

Tashin adheres to strong ethical values in corporate governance where integrity, transparency, and accuracy are embedded in the Group's management practices.

The current practice does not incorporate long-term incentives in the remuneration of the Company's senior executives. Thus, Tashin intends to tie the Company's senior executives' remuneration to ESG performance in the future. The Group also ensures the Board addresses conflicts of interest and related party transactions ("RPT"), which has been done given that all RPTs were disclosed but at arm's length and on normal commercial terms.

Furthermore, the Company has incorporated the three principles prescribed in the MCCG 2021 to ensure that corporate governance is in the best interests of its valued stakeholders.

**Principle A:** Board Leadership and Effectiveness

**Principle B:** Effective Audit and Risk Management

**Principle C:** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

As the Company practices the two-tier voting system as stated in Tashin's Nomination Committee's terms of reference, the shareholders have the right to vote for Director appointments as well as dismissals. For more details on the Nomination Committee's terms of reference, please refer to Tashin's official website at [www.tashin.com.my](http://www.tashin.com.my).

For the AC, the Chairman is an INED and a member of the Malaysian Institute of Accountants. The AC comprises three INEDs and excludes the Chairman of the Board. Meanwhile, the Remuneration Committee comprises three INEDs.

The effectiveness of the Board is regularly evaluated during the Nomination Committee's meeting. A formal evaluation process is in place to assess the effectiveness of the Board as a whole. The Board through the Nomination Committee undertakes the following annual assessments:

- The Board and Board Committees' performance evaluation;
- Self-performance evaluation;
- AC performance assessment questionnaires; and
- Independence of the INEDs.

Results of the aforesaid evaluations are presented to the Nomination Committee and the Board.

For more information about Tashin's corporate governance, please refer to Tashin's Corporate Governance Report.

### ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

Tashin continues to uphold its principle of a zero-corruption policy by eliminating all forms of bribery and corruption activities within the Group as well as its business value chain. Tashin's adoption of the Anti-Bribery & Anti-Corruption Policy ("ABAC") affirms expectations on employees and subsidiaries to understand and comply with laws, rules and regulations applicable to their position and/or work, including the relevant provisions of the Malaysian Anti-Corruption Commission Act 2009.

Along with the ABAC Policy in place, the Company also proactively manages corruption-related risks through risk identification and evaluation on a regular basis. For instance, the AC will perform risk analysis on fraud and corruption at the end of each financial year.

The oversight from the Board has further reinforced the position of anti-bribery and anti-corruption within the Group and ensures that a sustainable anti-corruption and anti-bribery programme is practised within the Group.

### ANTI-CORRUPTION TRAINING AND COMMUNICATION

The Company conducts regular internal training sessions on anti-corruption topics for both new and existing employees. To ensure widespread awareness, anti-corruption messaging is disseminated throughout the Company via various communication channels on a regular basis. The following table shows the breakdown of anti-corruption training in FY2023 by category of employees:

Training Details	FY2023
Number and percentage of employees that have received training and communication on the organisation's anti-corruption policies and procedures, by employee category	79 (28.11%)
Managerial	33 (89.19%)
Executive	21 (100.00%)
Operational	25 (11.21%)

With anti-corruption policy and implementation in place, zero incidents have been reported regarding violations against the Group's anti-corruption policies in FY2023. Going forward, Tashin is committed to conducting regular awareness programmes and training on anti-bribery and anti-corruption for all personnel and their Directors to maintain a culture of transparency and ethical conduct.

## Sustainability Statement

### SUSTAINABILITY GOVERNANCE (Cont'd)

#### CODE OF CONDUCTS AND ETHICS

The Code of Conduct and Ethics ("the Code") developed by Tashin in the year 2020 provides a comprehensive set of guidelines and standards for ethical corporate conduct. The Code applies to everyone working for the Company, regardless of location, role or level of seniority. This includes all employees, temporary and contract employees, company directors, consultants, agents and any other third party who acts in the Company's name to follow the principles of the Code.

The Code establishes rules for addressing conflicts of interest, and corrupt or unethical practices, and identifies unacceptable behaviour or practices that should not be replicated by anyone in the Company.

The Code's guiding principles cover some key areas such as:

1. Professional Conduct, Conflict of Interest and Corporate Opportunities
2. Company Information, Records and Assets
3. Workplace Culture, Occupational Safety and Environment

Each of the abovementioned persons (each a "Party") is responsible for fully understanding and complying with the Code. Each Party may be required to undertake training as may be necessary, and provide an affirmation that he has read, fully understood and will comply with the Code. Reference to "Company" in this Code shall mean the relevant company within the Company with whom each Party has a contractual relationship.

The Code also forms part of the terms and conditions of employment/engagement. Any failure to comply with the Code or the Company policies will be treated very seriously by the Company. Such failure shall constitute misconduct and may result in disciplinary action, up to and including termination of employment (for employees) or termination of relationship with the Company (for contractors and others).

The reporting of non-compliance with its Code may either be made to:

- (a) the Line Manager; or
- (b) any Head of Department; or
- (c) the Managing Director.

In FY2023, there were zero cases of non-compliance or unethical conduct. The Code is readily accessible to all employees via the Investors Relation webpage at [www.tashin.com.my](http://www.tashin.com.my).

#### WHISTLEBLOWING MECHANISMS

The Whistleblowing Policy and Guidelines was established and approved by the Board to uphold the Company'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 and Guidelines 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 Company and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith.

The Whistleblowing Policy and Guidelines provides a specific channel that can be accessed by both internal and external stakeholders, either through a Whistleblower Reporting form or by sending an email to [whistleblowing@tashin.com.my](mailto:whistleblowing@tashin.com.my). Stakeholders are reminded of the existence of this channel periodically. Tashin recognises the importance of maintaining confidentiality and protecting whistleblowers. As such, the identity of the whistleblower will remain confidential to the extent possible, as long as the disclosure is made in good faith. Upon receipt of the report, an investigating panel will be formed by the AC, which may consist of the relevant business division or personnel best placed to address the reported issue.

The investigating panel will make a finding concerning the complaint and its validity. This finding will be detailed in a written report containing the findings of the investigations and conclusion. The report will be passed to the Managing Director, as appropriate, who will then decide what action to take. If the complaint is found to be valid, disciplinary or other appropriate procedures will be invoked.

The whistleblower will be kept informed of the progress of the investigation, if appropriate, and of the final outcome. If the whistleblower is not satisfied that his/her concern is being properly dealt with by the investigating panel, he/she has the right to raise it in confidence with the AC or one of the designated persons described above.

The Whistleblowing Policy and Guidelines is available on the Company's corporate website at [www.tashin.com.my](http://www.tashin.com.my).

#### ETHICAL AND RESPONSIBLE SUPPLY CHAIN

Tashin strives to ensure the removal of any aspects of corruption not only within its own organisation, but throughout the Company's supply chain as well. Tashin's supply chain would include several parties namely, the vendors, suppliers, contractors and transporter, in which key safeguards are in place to further reinforce Tashin's Code.

Tashin's procurement also addresses ESG factors such as transportation emissions, no forced labour, OHS, workplace conditions and empowerment of local communities.

The Company holds a firm stance on its ABAC Policy and any non-compliance will not be accepted given that all parties have been provided with pertinent knowledge of the Group's policies. Tashin has clearly communicated to its suppliers on the Company's stance on anti-corruption.

## Sustainability Statement

### STAKEHOLDER ENGAGEMENT

Tashin recognises the significance of effective engagement with its stakeholders to remain vigilant of issues at hand at any particular period. The various engagements, assessments and feedback have become integral to its ESG strategy and initiatives. Their feedback informs the Company's approach to activities, reporting and disclosure and underpins the materiality assessment process.

The Company's wide stakeholder network consists of the people who impact business operations and those who influence the Group's activities.

Stakeholder meetings, workshops and other events help the Company to develop an understanding of important societal issues. It further promotes stakeholder satisfaction, trust, engagement, and support while allowing Tashin to benefit from a competitive edge, ultimately leading to the organisation's sustainable growth. Key to the process would involve assigning critical issues to relevant departments, determining gaps in the Company's operations and formulating strategies and/or approaches accordingly, developing plans in establishing stakeholder relationships, defining indicators, and reporting progress updates to various reporting committees.

Tashin has identified the following groups as fundamental to continuing the Company's business success:

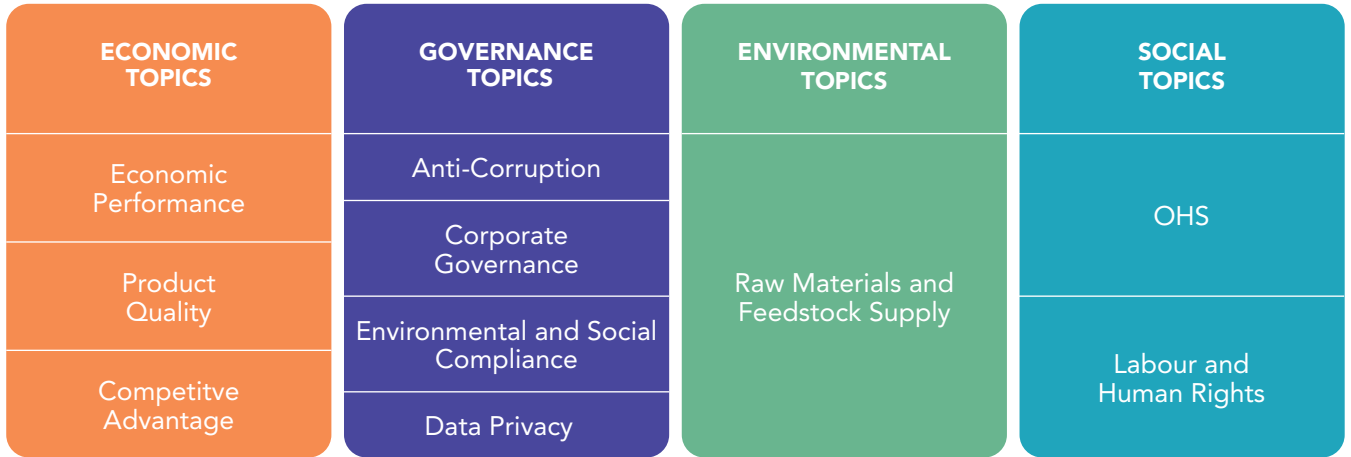
Stakeholder Group	Key Topics	Outcome and Solutions	Platforms and Channels
<b>Customers/ Distributors</b>	<ul style="list-style-type: none"> <li>Management of unethical behaviour such as bribery and fraud</li> <li>Quality of products and meeting customer expectations</li> <li>Health and safety at the workplace</li> <li>Prevention of anti-competitive practices</li> </ul>	<ul style="list-style-type: none"> <li>Managed customer data security and privacy</li> <li>All actions and transactions in accordance with laws</li> <li>Management of unethical behaviour such as bribery and fraud</li> <li>Quality of products and meeting customer expectations</li> </ul>	<ul style="list-style-type: none"> <li>Annual customer satisfaction survey</li> <li>Regular customer audits across the year</li> <li>Meetings</li> </ul>
<b>Suppliers and Contractors</b>	<ul style="list-style-type: none"> <li>Compliance with contractual terms, laws and regulations</li> <li>Protection of data and information</li> <li>OHS procedures in place</li> </ul>	<ul style="list-style-type: none"> <li>Managed OHS</li> <li>Managed customer data security and privacy</li> <li>All actions and transactions in accordance with laws</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Site visits</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Health and safety at the workplace</li> <li>Human rights</li> <li>Quality of products and meeting customer expectations</li> <li>Management of unethical behaviour such as bribery and fraud</li> <li>Efficient steel manufacturing processes</li> </ul>	<ul style="list-style-type: none"> <li>Established policies and procedures to uphold good governance practices across the companies</li> <li>Incorporated process improvement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance evaluation</li> <li>Employee engagement</li> <li>Company intranet, mobile platform, email and memos</li> <li>Learning and development programmes</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Health and safety at the workplace</li> <li>Human rights</li> <li>Management of unethical behaviour such as bribery and fraud</li> <li>Compliance with environmental laws</li> </ul>	<ul style="list-style-type: none"> <li>Established policies and procedures on anti-corruption, human rights and whistleblowing</li> <li>Manufacturing activities are certified with the ISO management system</li> </ul>	<ul style="list-style-type: none"> <li>Dialogues and meetings</li> <li>Government/ regulatory events/ visitation</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Future growth prospects</li> <li>Return on investments</li> <li>Corporate sustainability</li> <li>Corporate exercises</li> <li>Dividends</li> </ul>	<ul style="list-style-type: none"> <li>Concerns and detailed explanations provided by Management and the Board</li> </ul>	<ul style="list-style-type: none"> <li>Annually during the Annual General Meeting</li> <li>Bursa Securities announcements</li> <li>Analyst briefing</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Management of environmental and social impacts derived from operations</li> <li>Local hiring practices</li> <li>Health and safety at the workplace</li> <li>Management of community relations</li> </ul>	<ul style="list-style-type: none"> <li>Encouraged and employ local employees across operations</li> <li>Managed environmental impacts</li> <li>Managed OHS risks</li> <li>Organised community development programmes</li> </ul>	<ul style="list-style-type: none"> <li>CSR events</li> </ul>

## Sustainability Statement

### ASSESSING MATERIALITY

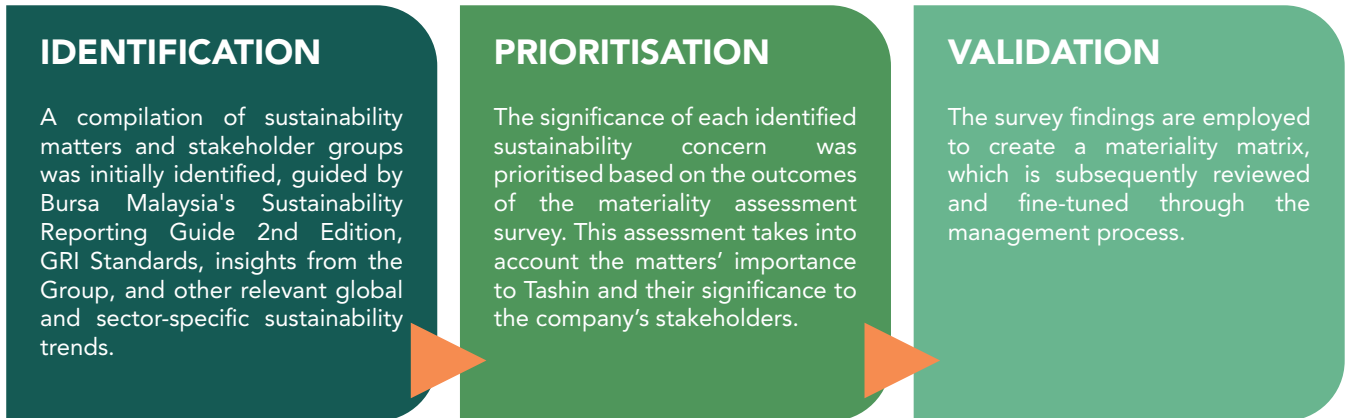
The materiality review and identification serve as an important tool to ensure the Company is responding appropriately to stakeholder concerns and legislative requirements. Accordingly, this enables the Company to maximise its ability to adapt to rapidly evolving market conditions.

The outcome of the materiality assessment review will guide the disclosures and content of Tashin's Sustainability Report. This allows the Company to report under the appropriate Bursa Securities disclosure guidelines as well as other relevant reporting standards such as GRI and FTSE4Good index which are relevant to the Company's strategy and operating model.



In line with Bursa Securities' guidelines, the prioritisation and assessment surveys for material topics were devised based on a broad spectrum of material ESG subjects and identified stakeholder categories. The questionnaires were translated into reader-friendly and easily understandable questions to facilitate inclusive feedback.

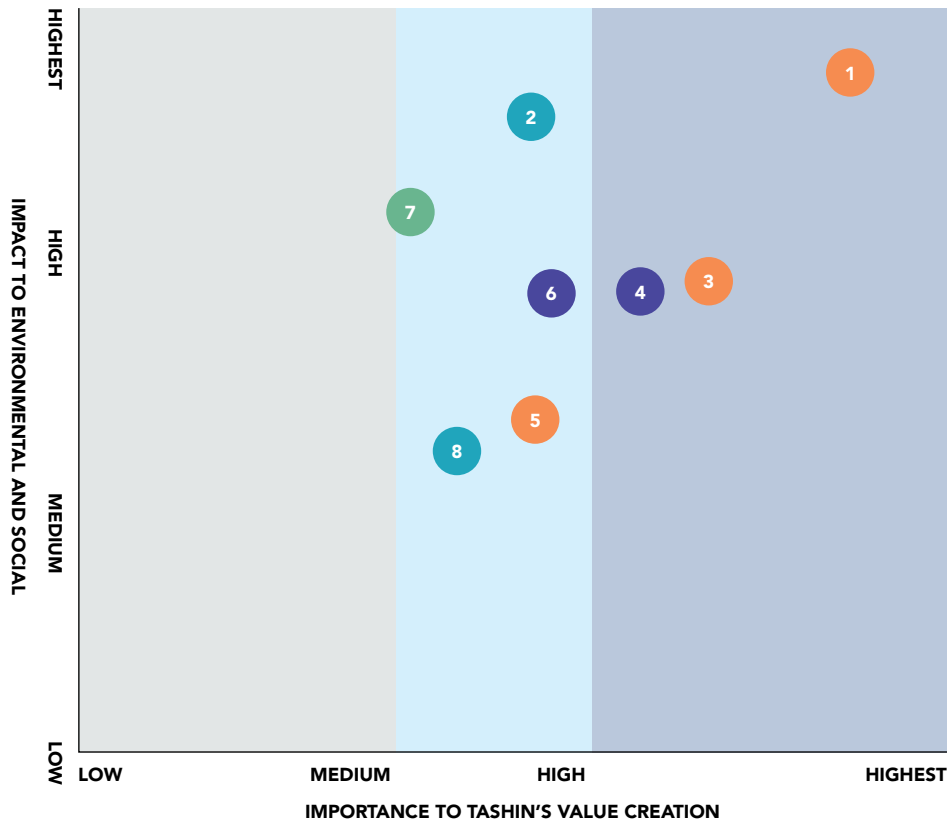
The process of materiality assessment is detailed as follows:



## Sustainability Statement

## ASSESSING MATERIALITY (Cont'd)

## MATERIALITY MATRIX



ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
1. Product and Responsibility	7. Environmental and Social Compliance	2. OHS	4. Data Privacy
3. Competitive Advantage		8. Labour and Human Rights	6. Corporate Governance and Anti-Corruption
5. Raw Materials and Feedstock Supply			

The materiality matrix mapped out eight sustainability material issues in 2023 (categorised as high importance and high impact) and was subsequently validated by the Board and Senior Management in a verification session. The materiality process included alignment to the GRI standards, benchmarking against industry peers, and taking into consideration the United Nations Sustainable Development Goals (UN SDGs) before aligning with the GRI metrics.

## ANALYSIS OF MATERIALITY TOPICS

Corporate Governance and Anti-Corruption	Stakeholders increasingly want companies to operate responsibly. Tashin is determined to pursue a zero-tolerance and non-compromise approach to corruption, also extending it to the supply chain by developing the Supplier's Code of Conduct and Anti-Corruption policies.
Product Quality OHS	Continued efforts in emphasising quality and a safe working environment must be maintained and enhanced.
Competitive Advantage	Competitive advantage further reinforces the requirement to maintain existing efforts on improving costs and operational efficiencies.
Raw Materials / Feedstock Supply	Tashin will re-align its resources to further ensure efficient, fast and cost-effective.
Environmental and Social Compliance	Tashin is to continue ensuring a high level of compliance across all aspects of operations that present any concerns with a negative impact on the environment.
Labour Practices and Human Rights	Stakeholders are demanding organisations take increased measures to ensure good labour practices. Tashin will work with subsidiaries and suppliers to address gaps and improve data collection. This is to ensure the supply chain is free of labour issues i.e., mistreatment of workers, etc. This is also to minimise the risk of Tashin's exposure to supply chain issues.

## Sustainability Statement

### ASSESSING MATERIALITY (Cont'd)

#### ANALYSIS OF MATERIALITY TOPICS (Cont'd)

The subsequent focus on the implementation of the Company sustainability initiatives across the operations will be formulated in the drafting of key performance indicators and targets for the financial year 2025 and beyond. This is to ensure that the Company can deliver sustainability in ways that are most relevant to its business. The strategies and initiatives to be determined will be mapped to the goals, key stakeholder groups, as well as the eight sustainability material issues to make the ESG journey relevant to its stakeholders' expectations and current and future business strategies.

### ECONOMIC DISCLOSURES

A sustainable and robust business model is essential to maintain long-term value creation for the Company's stakeholders. By improving the efficiencies of processes across its operations, investing in sustainable technologies, and working on innovative ways to manage costs, Tashin pursues economic growth without compromising on the environment and well-being of its people, environment and surrounding communities.

From the earlier days of its establishment, Tashin has been progressively looking at ways to ensure that its economic sustainability becomes one of the major drivers of business success. Tashin aims to establish an optimal capital and debt composition by improving its capital efficiency and controlling its capital costs at the same time preserving the right balance of enhancing growth, shareholder returns, and preserving a strong financial base. For more information on the Company's economic performance and developments, kindly refer to the Management Discussion and Analysis of this Annual Report.

#### DIRECT AND INDIRECT ECONOMIC IMPACTS

Tashin is providing real economic value creation through the expenditures the Company incurs, which are directly attributed to its financial performance. Besides pursuing profitability, the Company recognises the real value impacts which align with ESG principles such as job creation, enhancing community development as well as providing a sustainable return to the shareholders. The stakeholders and the benefits of the value realisation are depicted in the chart below:

i. Value delivered through return to shareholders

ii. Value offered through its products to the industry and nation building

iii. Competitive salaries and benefits offered to employees

iv. Fulfilment of obligations to suppliers and financiers

v. Economic and social benefits to local communities

vi. Fulfilment of customers needs

Economic Value	RM'000		
	FY2021	FY2022	FY2023
Revenue from the sale of goods	388,653	434,303	<b>362,450</b>
Revenue from financial investments	627	574	<b>672</b>
Other operating Income	1,914	4,090	<b>2,336</b>
Direct economic value generated	391,194	438,967	<b>365,458</b>
<b>Economic Value Distributed</b>			
Operating expenses	283,396	401,190	<b>334,942</b>
Wages and other payments to employees	19,254	16,649	<b>19,646</b>
Payments to providers of capital	10,730	13,462	<b>9,603</b>
Payment to financial institutions	2,005	2,992	<b>2,623</b>
Payment to shareholders	8,725	10,470	<b>6,980</b>
Payment to the Government including income tax expenses	23,819	4,813	<b>1,978</b>
Community investment	101	198	<b>103</b>
Economic Value Distributed	337,300	436,312	<b>366,272</b>
Economic Value Retained	53,894	2,655	<b>(814)</b>



## Sustainability Statement

### ECONOMIC DISCLOSURES (Cont'd)

#### DIRECT AND INDIRECT ECONOMIC IMPACTS (Cont'd)

The Company is focused on steel processing and steel products manufacturing. Its steel processing products are slit coils and steel sheets, and its steel products manufacturing consists of steel pipes, flat bars, square bars, expanded metals, checkered plates and c-purlin. It is engaged in the trading of steel products including steel plates, steel pipes, round bars, angle bars and wire mesh. The annual production of its core products is as depicted below. Its products are used in various industries and sectors, such as electronics and electrical, industrial stamping, automobiles, furniture, fabrications, and engineering.

The healthy financial performance has further contributed to a stable wealth and value distribution to its relevant stakeholders:

Products	MT	MT	MT	Fields of Applications
	FY2021	FY2022	FY2023	
Steel Processing	81,112	91,268	93,007	Automotive electronics and electrical manufacturing
Product Manufacturing	19,502	20,817	24,886	Building construction engineering and steel fabrication furniture
<b>Total Production Output</b>	<b>100,613</b>	<b>112,085</b>	<b>117,893</b>	

#### PRODUCT QUALITY AND CUSTOMER SATISFACTION

##### Customer Satisfaction

Throughout its value chain, Tashin strives to achieve continuous quality excellence. This is a critical contributor to its reputation for superior product performance and operations and become a significant value proposition as a trusted partner to all of its customers. At Tashin, customer feedback is handled swiftly by conducting customer satisfaction surveys annually in accordance with ISO 9001:2015 (Quality Management) to ensure the Company delivers the best possible products and services.

This survey will enable Tashin to gauge and understand its customers' opinions and feedback on the Company's products and services. Overall, Tashin's customers are very satisfied with its products and services, and the Company scored close to 85% for customer satisfaction in FY2023. The survey outcome forms the basis for Tashin to continuously improve its manufacturing operations and services to deliver the best products.

In addition, Tashin provides a platform for customers to lodge a complaint and feedback towards continual quality improvement. Customers can submit a formal complaint via email or through a messaging application to its sales representatives. As provided in its policy, all complaints will be dealt with, and responses will be provided within the set timeframe.

Item	FY2021	FY2022	FY2023
Customer Satisfaction Scores (%)	82.60%	82.04%	<b>84.88%</b>
Customer complaints received	99	36	<b>135</b>
Customer complaints resolved	99	36	<b>135</b>
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	<b>0</b>
Number of complaints from regulatory bodies	1	0	<b>0</b>

##### Product Quality

Tashin always ensures the Company manufactures top-quality products to meet its customer's expectations. Tashin implemented a strict and comprehensive internal quality management system guided by the Quality Manual and Standard Operation Procedure. In addition, its manufacturing operation is certified by ISO 9001:2015.

## Sustainability Statement

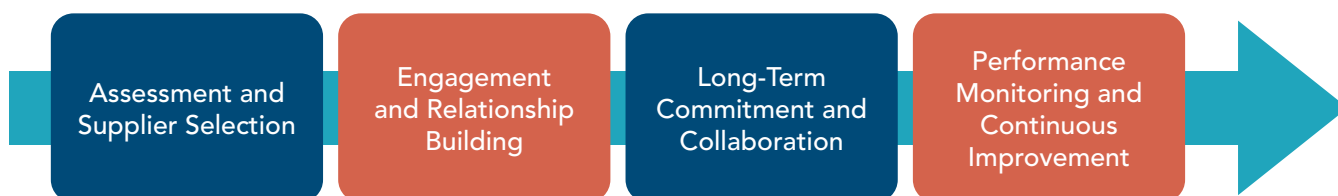
### ECONOMIC DISCLOSURES (Cont'd)

#### LOCAL PROCUREMENT AND SUPPLY CHAINS

The Company is continuously improving its general purchasing and procurement policy when undertaking tenders involving external providers. This requires all parties at every level of the process to be transparent from pre-qualification until the award and post-project evaluations. The Procurement department conducts reviews on new suppliers to ascertain if they are competent based on financial checks, track record, background, taxing compliance and compliance with legal requirements. At the same time, Tashin actively seeks out options and alternatives from a diversified list of vendors to ensure its tender process remains robust, transparent and cost-effective.

External suppliers are evaluated on their performance as well as their ability to deliver at competitive pricing. Responsible local contractors with good performance track records in contributing positively to the nation's economy, are given due consideration, subject to compliance with the Occupational Safety and Health Act 1994 ("OSHA"), the Environmental Quality Act 1974, and other relevant OHS and environmental laws and regulations.

#### Process Applied in Supporting Local Procurement



Tashin is working towards incorporating ESG considerations as an assessment criterion into its supplier audit process for a more sustainable procurement process. This will come under the Company's Procurement department and will be implemented progressively. The table below shows procurement data for office supplies for all business units of the Company.

#### Group Procurement Data

Information Required	FY2021	FY2022	FY2023
Total Procurement Spending (RM'000)	364,753	322,035	<b>315,051</b>
Total Local Procurement Spending (RM'000)	160,604	198,574	<b>188,677</b>
Total Foreign Procurement Spending (RM'000)	204,149	123,461	<b>126,375</b>
Percentage of Local Procurement Budget, also known as Proportion of Spending on Local Suppliers (%)	44.03	61.66	<b>59.89</b>
Percentage of Local Suppliers (%)	55.56	61.29	<b>65.38</b>

The current composition of suppliers consists of over 65% from local vendors. Given the nature of the operations, some raw materials are only available outside the country. Going forward, Tashin plans to continue supporting local contractors and suppliers as strategic partners and improve its procurement disclosures with more comprehensive data collection. Tashin is determined to do more to encourage and empower good ESG practices among its external providers, beginning with the formulation of guidelines on due diligence of new and existing partners, identifying suppliers and ensuring a clean record on environmental and social assessment.

## Sustainability Statement

### ENVIRONMENTAL DISCLOSURES

#### CLIMATE CHANGE AND EMISSIONS

Climate change presents a universal challenge that surpasses geopolitical boundaries, affecting ecosystems, economies, and societies worldwide. Tashin recognises the immediate need to address the escalating effects of climate change, including the rise in occurrences of extreme weather events and frequent floods observed in recent years.

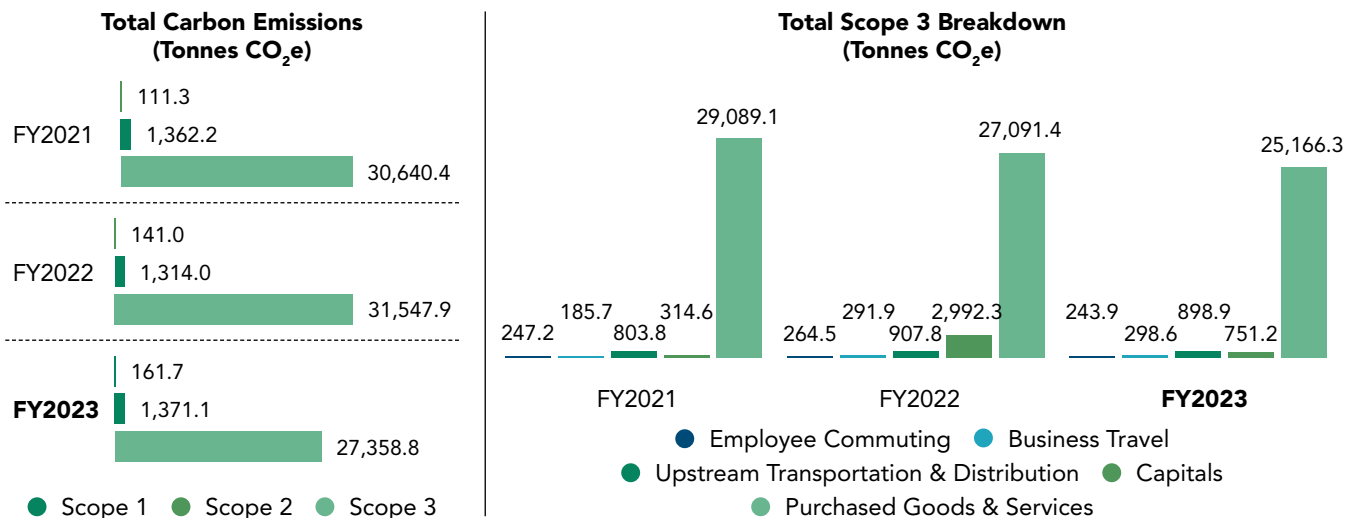
On the environmental front, the promotion of sustainable practices can contribute to a reduced carbon footprint and help combat climate change. It is essential to ensure that employees have the right to work in a safe and healthy environment, which includes effectively minimising pollutants generated from operations to maintain a clean and safe workplace.

As part of its overall plan, Tashin may choose to invest in eco-friendly technologies to enhance environmental practices, potentially resulting in energy savings and improving the economic viability of the steel service centre. The consideration of investing in electric furnaces will arise once the technologies become financially feasible. Presently, the annual monitoring of pollutant emissions from the furnace is conducted on a regular basis.

While climate change has not been directly addressed by the Board thus far, there is an opportunity for positive evolution in this regard. The Board is presently in the process of evaluating the integration of climate-related responsibilities into its governance framework. This involves the formation of an ESG Committee, supported by the Management team, to monitor and execute projects aimed at addressing climate-related risks and opportunities. This proactive stance reflects a commitment to sustainability and environmental stewardship. As the Company recognises the growing importance of climate issues, the Board's active involvement and accountability in addressing climate change are anticipated to become integral components of its future sustainability reporting efforts.

In FY2023, the Group initiated the disclosure of its carbon emissions by accounting for both direct (Scope 1) and indirect emissions (Scope 2 and Scope 3) from the Group's business operations.

An overview of the Company's total carbon emissions is detailed as follows:



#### Note:

**Scope 1** – Mobile emission from company-owned vehicles such as trucks. The emission factor used is based on the United States Environmental Protection Agency (EPA) GHG Emission Factors Hub. Factory-related utility expenses are also included in Scope 1, where the emission factor is retrieved from Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6.

**Scope 2** - The emission factor used for grid electricity is based on the United Nations Framework Convention on Climate Change (UNFCCC) Harmonised Grid Factors 2021.

**Scope 3** – All Scope 3 categories are tabulated based on Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6, except for business travel and employee commuting calculations are refer to the United States Environmental Protection Agency (EPA) GHG Emission Factors Hub. The applicable Scope 3 categories include:

- **Purchased goods and services:** The forwarding-related costs, raw materials, freight and handling (non-stock), and other costs excluding depreciation, wages, and interest.
- **Capital:** Manufacturing plant and machinery, as well as other commercial assets.
- **Upstream transportation and distributions:** Outsourced transportation of materials through freight arrangement, both sea and road.
- **Business travel:** Business-related travelling using transportation such as passenger cars, commuter rail, and air travel.
- **Employee commuting:** Employees who travel to and from the workplace using transportation such as passenger cars and motorcycles.

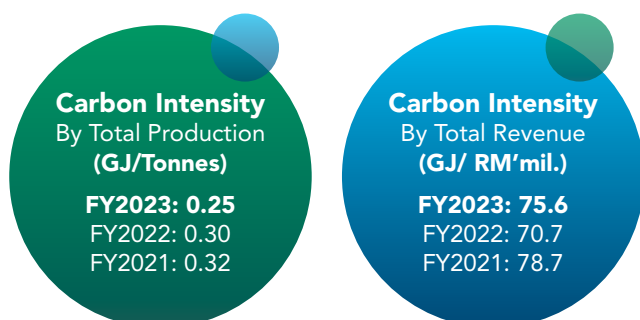
## Sustainability Statement

### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### CLIMATE CHANGE AND EMISSIONS (Cont'd)

In the first year of disclosing comprehensive carbon emissions, Tashin noted a substantial impact from Scope 3 emissions, constituting more than 95% of the Company's total carbon emissions. This elevated trend aligns with expectations common to heavy industries, considering the comprehensive assessment of supply chain emissions. It underscores the Company's dedication to vigilantly tracking carbon emissions across the entire business value chain and strategically working towards reducing carbon footprints in the future.

Given that, Tashin has established the carbon intensity measurement in providing a quantitative assessment of emissions relative to business activities and emphasising the importance of sustainable practices in its operations. By diligently tracking carbon emissions across all operations, the Company has the capability to monitor its overall carbon footprint as a responsible manufacturer. This enables Tashin to operate conscientiously, as evidenced by the minimal fluctuations in carbon intensity observed throughout the years.



#### ENERGY MANAGEMENT

Effective energy management plays a pivotal role for Tashin, encompassing both manufacturing and trading activities. The positive impact of robust energy management strategies extends beyond the reduction of energy consumption as it translates into significant cost savings, thereby bolstering overall profitability.

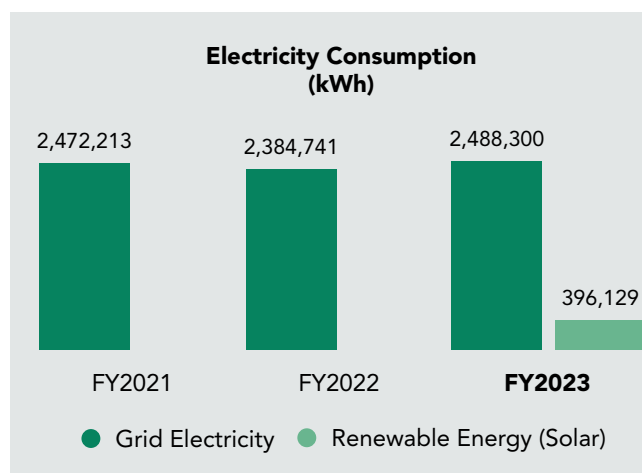
The Company acknowledges a commitment to strong energy management practices not only attracts environmentally conscious customers but also garners favour with investors. This dual benefit can enhance the Company's competitive edge in the market, aligning business goals with sustainability principles.

From an environmental standpoint, improving energy management within the production processes contributes to a reduction in the carbon footprint, aiding in the mitigation of climate change and aligning the Company with global sustainability goals.

#### Electricity Consumption

Notably, the main energy sources for the Company are derived from the national utility company, Tenaga Nasional Berhad, incorporating both solar energy and grid electricity. Tashin has implemented innovative measures, such as natural lighting through transparent roofing and the promotion of air ventilation using ventilation fans.

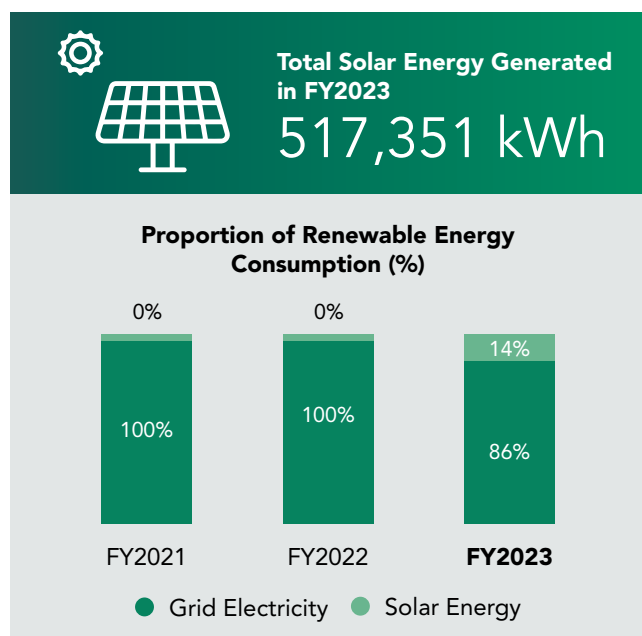
These initiatives not only reduce the need for artificial lighting during daylight hours but also leverage natural airflow to moderate factory temperatures, showcasing the Company's commitment to energy efficiency and environmental stewardship.



Note: Solar energy generation is fully commenced in FY2023.

#### Adopting Renewable Energy

As part of its commitment to environmental responsibility and energy efficiency, in FY2023, Tashin worked towards harmonising the percentage of energy usage derived from the combination of grid electricity and solar energy. The Company's overall electricity consumption portfolio is presented below:



## Sustainability Statement

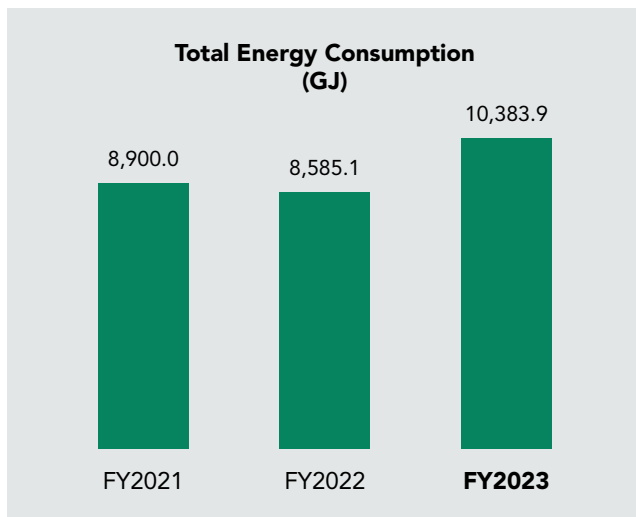
### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### ENERGY MANAGEMENT (Cont'd)

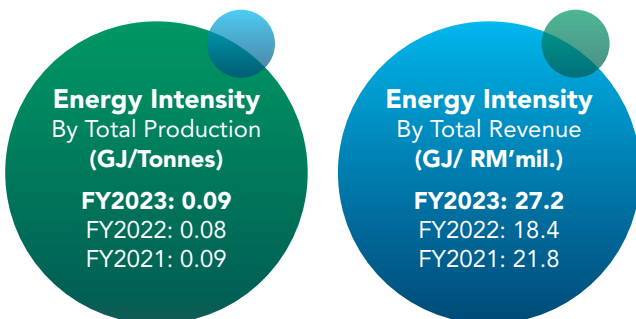
##### Adopting Renewable Energy (Cont'd)

This approach not only diversifies its energy portfolio but also contributes to more resilient and eco-friendly business operations. By incorporating solar energy into the Company's energy mix, the aim is to reduce its carbon footprint, mitigate the impact of climate change, and align its business operations with global sustainability goals.

By leveraging these impactful approaches to ensure energy-saving operations, the Company strategically minimised its electricity consumption. In FY2023, energy intensity measurements saw a 12.5% increase compared to the financial year 2022 ("FY2022"). This rise can be attributed to the higher production output, which demanded greater energy consumption.



Note: Total energy consumption is calculated based on the conversion of total electricity and solar energy consumption using 1 kWh = 0.0036 GJ.



To continue its efforts to pursue energy conservation within the business operations, Tashin is actively planning for the future with a focus on further enhancing energy efficiency, particularly in improving the efficiency of air compressors. One of the key initiatives in the pipeline involves conducting air leak tests. This strategic approach aims to identify and address inefficiencies within the compressed air system. By systematically evaluating and rectifying air leaks, the Company intends to minimise energy wastage, subsequently reducing overall energy consumption.

#### WATER MANAGEMENT

Tashin is cognisant that effective water management is a critical aspect of sustainable and responsible industrial practices. The steel manufacturing process requires substantial water usage for cooling, cleaning, and various production stages. Implementing effective water management strategies not only aligns with environmental conservation goals but also offers tangible benefits for the industry.

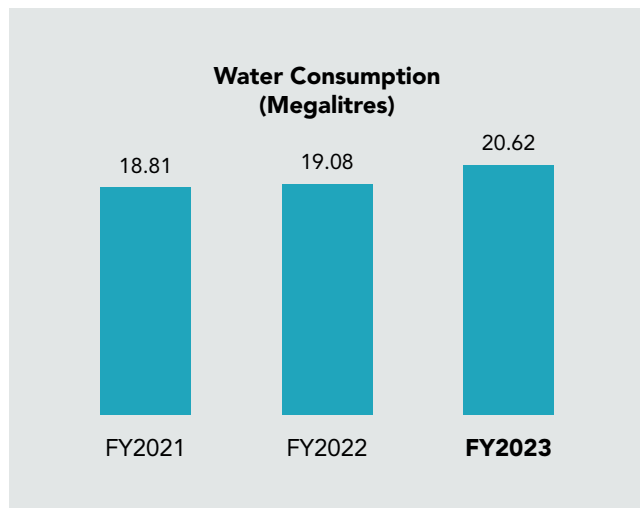
By strategically reducing water consumption, the Company can realise significant cost savings, thereby positively influencing operational expenses and overall profitability. This financial advantage is complemented by a crucial environmental benefit, as the reduction in water usage helps mitigate the risk of water scarcity.

Embracing responsible water use not only aligns with environmental stewardship but also contributes to the industry's commitment to sustainable development. As the steel sector adopts water-efficient practices, it not only safeguards precious resources but also establishes a foundation for long-term resilience and success in a world where water conservation is an increasingly vital aspect of corporate responsibility.

Tashin primarily relies on municipal water sources provided by Perbadanan Bekalan Air Pulau Pinang (PBA) for hygiene and basic needs. In the production process, water is predominantly utilised for heat exchange, and an established system ensures the reuse of water through a cooling tower.

Beyond internal initiatives, the Company embraces the opportunity to adopt impactful conservation measures promoted by both local and global initiatives such as water recycling and reuse initiatives as well as engaging in collaborations with other companies to utilising water waste streams as inputs, in line with principles of industrial ecology.

The Company also started to employ water intensity measurement as a key metric to assess its water management practices. This measurement mechanism involves quantifying the amount of water used relative to specific operational activities or production outputs.

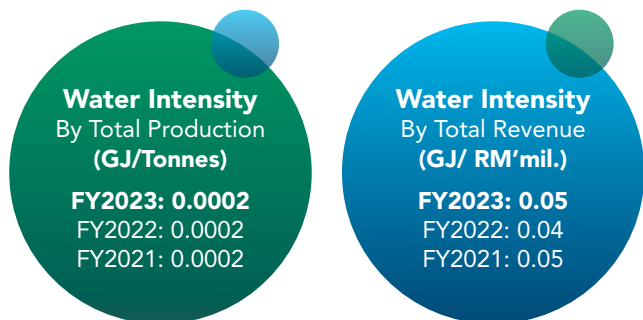


## Sustainability Statement

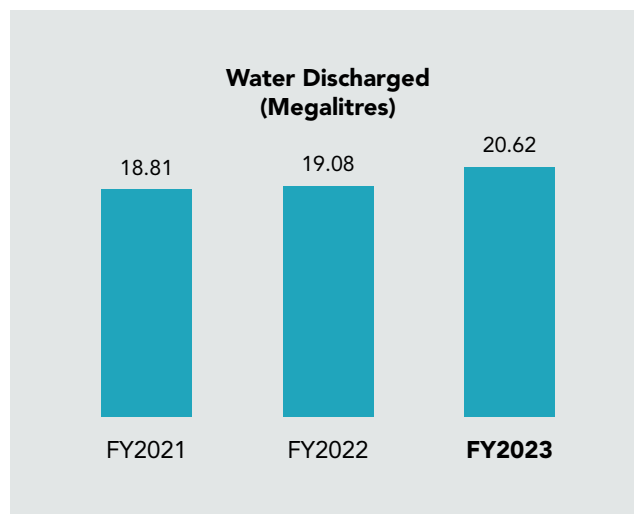
### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### WATER MANAGEMENT (Cont'd)

By tracking water intensity, the Company can gauge the efficiency of its water usage and identify areas for improvement. Through ongoing water recycling initiatives within its production facilities, Tashin managed to maintain its level of water efficiency despite the increased usage of water for production needs in FY2023.



In addition to water conservation efforts, Tashin takes responsibility for its effluent by consistently monitoring the volume of discharge, as presented as follows:



Note: The volume of water discharged is assumed to be equivalent to the total water consumption.

The Company effectively manages effluents and liquid waste through the implementation of an oil trap installed at the outlet discharge point. This proactive measure ensures the containment and proper handling of oil and other pollutants, preventing their release into the environment.

### WASTE MANAGEMENT

In the realm of waste management within the steel industry, a primary concern for Tashin lies in the management of metal scrap. On top of that, the financial costs associated with the repercussions of pollution and waste encompass a multifaceted area, incorporating both explicit and implicit expenses.

Firstly, the direct expenses include the paid costs for treating scheduled waste, a critical aspect in managing and mitigating the environmental impacts of pollutants. There are also financial outlays associated with the disposal of general waste, particularly when it is sent to landfills. These costs underscore the necessity for sustainable waste management practices to alleviate the burden on ecosystems.

Recognising the potential value embedded in these discarded materials, the Company has the opportunity to enhance revenue streams by selling metal scrap to recycling facilities. Receipts from the recycling of paper and plastic materials contribute not only to waste reduction but also provide a monetary incentive for environmentally responsible practices.

Acknowledging the importance of proper waste management, within the business operations, the input and output flow of the Company waste generation activities has been systematically tracked as demonstrated in the following:



Presently, Tashin's waste management practices involve the careful segregation of different waste streams which include:

#### Reuse

- Broken Pallet

#### Waste Treatment

- Scheduled waste (Sent to authorised third party waste collector for further treatment)

#### Recycle

- Paper & Plastic (from production facilities and office)
- Pallet

#### Disposal

- General waste and food waste (to landfill)

## Sustainability Statement

### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### WASTE MANAGEMENT (Cont'd)

To collect and monitor waste-related data, the Company has implemented two main processes. Firstly, a logbook is kept for self-inventory, where the team carefully records and categorises all the waste that the operations generate. This helps the Company to keep track of the types and amounts of waste, identify trends and implement effective reduction strategies. Additionally, an electronic waste management system is employed, to enhance the accuracy and real-time accessibility of its data. These processes ensure that the Company can make informed decisions and actively work towards minimising its environmental impact.

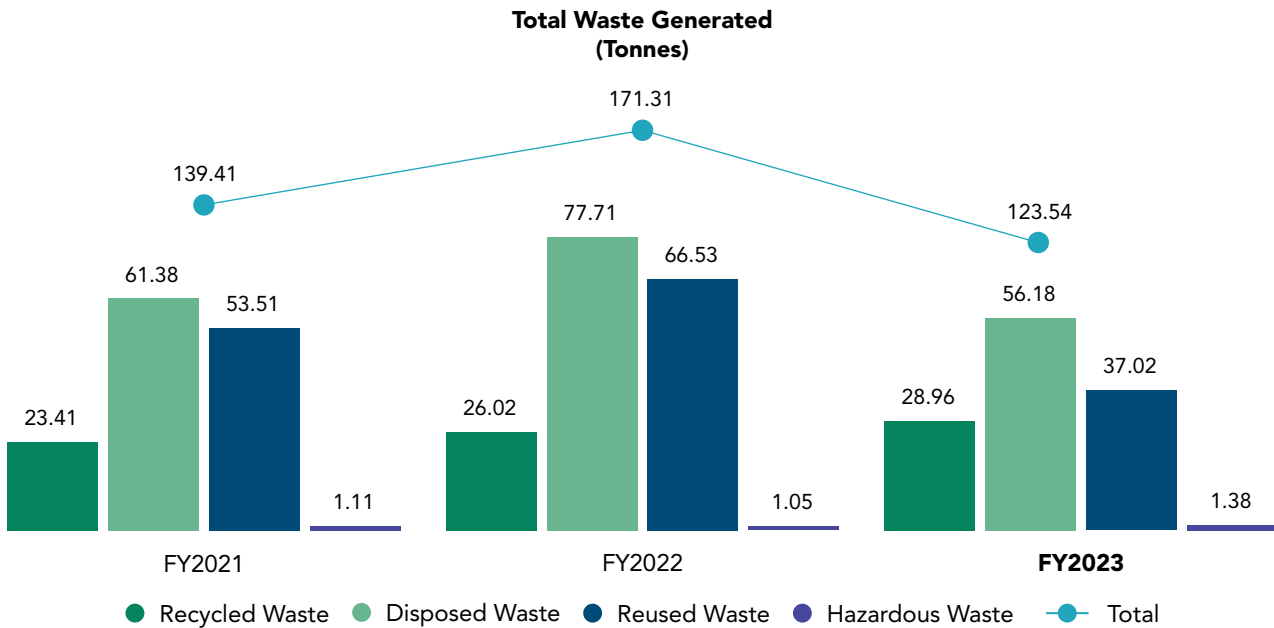
#### WASTE REDUCTION INITIATIVES

Tashin has proactively allocated resources to drive waste reduction and enhance efficiency in various operational aspects. One notable initiative involves the conscientious use of paper resources. Printing on both sides of A4 paper and employing recycled paper for documentation purposes have been established as standard practices, aligning with the Company's commitment to sustainable resource management.

In addition to minimising paper consumption, the Company has undertaken a strategic approach to manage mixed oil (SW305) and used hydraulic oil (SW306), both classified as scheduled waste. Instead of sending these materials for treatment at a waste collector, they are now repurposed as a lubricant for couplings in the Flat Bar Production process. This innovative reuse not only reduces waste but also contributes to cost savings for waste treatment.

Moreover, SW305 and SW306 are utilised as a medium to trap iron dust at the Expanded Machine, ensuring the smooth operation of the punching process, particularly for black materials. This dual-purpose application enhances operational efficiency while minimising the environmental impact associated with traditional waste disposal practices.

Furthermore, the Company has demonstrated a commitment to sustainability by reusing used cotton gloves (classified as SW410) as cotton rags. The current sustainable practice not only extends the lifespan of the gloves but also reduces the need for disposable cleaning materials.



#### Recycling Rate

FY2023:

**23.44%**

(+54.31% from FY2022)

FY2022: 15.19%

FY2021: 16.79%

In FY2023, the Company achieved a significant increase of 54.31% in recycling rate compared to FY2022. This underscores Tashin's commitment to minimising waste generation.

As for future planning, Tashin is looking into advancing both internal enhancements and promoting engagement within the supply chain, actively participating in local and global initiatives. The Company will persist in exploring opportunities to improve its waste performance through data-driven target setting and collaborative efforts with suppliers and partners, collectively driving sustainable practices.

## Sustainability Statement

### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### RESOURCES MANAGEMENT

Tashin places a strong emphasis on material efficiency as outlined in its Sustainability Policy. The Company is dedicated to prioritising the efficient utilisation of materials throughout its manufacturing processes, with a clear goal of minimising waste and optimising resource productivity.

A key component of its strategy involves actively engaging and educating its workforce in sustainable materials management practices, fostering a collective commitment to environmental responsibility. By aligning the team with these goals, the Company seeks to enhance its overall material efficiency. The Company is also ensuring compliance with environmental regulations, reinforcing its commitment to responsible resource use and sustainable business practices.

With a clear commitment to reducing waste and embracing resource efficiency, the Company has set a key performance indicator to limit raw material wastage to below 3%. To achieve this target, the Company has implemented proactive measures such as actively promoting recycling and reusing materials within the manufacturing processes.

Through these strategic action plans, Tashin actively practising the recycling of scrap metals and the reuse of materials wherever feasible, thus mitigating the demand for new resources. This not only aligns with its cost-saving objectives but also aligns with its broader environmental goals, as these practices significantly minimise its ecological footprint, reinforcing its commitment to sustainability and responsible resource management.

#### Materials Consumption

The Company's overall material consumption over the past three years is presented below:

Materials Data	FY2021	FY2022	FY2023
Tonnes			
<b>Total weight or volume of materials used to produce and package products and services</b>	<b>82,969</b>	<b>62,252</b>	<b>66,411</b>
<b>Total non-renewable materials used</b>	<b>40.23</b>	<b>61.00</b>	<b>64.92</b>
- Polyethylene (PE)	12.00	33.00	18.60
- Polyester Strapping Band	4.00	-	6.20
- Stretch Film	1.44	3.48	6.12
- Woven	22.79	24.52	34.00
<b>Total renewable materials used*</b>	<b>82,928</b>	<b>62,191</b>	<b>66,346</b>
- Overlap Seal (Hi-Ten)	6.25	5.50	23.00
- Steel Strapping	54.68	47.71	102.93
- Wood	304.82	297.04	634.69
- Raw Material	82,562.66	61,840.90	65,585.17
<b>Percentage of renewable materials</b>	<b>99.95%</b>	<b>99.90%</b>	<b>99.90%</b>

\*Note: The total renewable materials used were quantified based on certain assumptions. It was assumed that each overlap seal weighed approximately 25 grams, while each roll of stretch film weighed around 2 kilograms.

#### Resources Efficiency Initiatives

With the intention to optimise material use, the Company strategically incorporates recycled input materials, such as metals, pallets, and packaging, into its production processes, fostering resource efficiency and sustainability.

The use of recycled metals and the integration of reclaimed pallets contribute to a circular economy by reducing the demand for new raw materials. Moreover, it has taken a conscientious approach to packaging materials, opting for sustainable solutions that include recycled, recyclable, or biodegradable packaging materials.

This forward-thinking strategy not only enhances material efficiency but also underscores its dedication to environmentally responsible practices throughout its supply chain. Through these measures, the Company minimises its environmental impact and positions itself as a socially responsible entity in the marketplace.



## Sustainability Statement

### ENVIRONMENTAL DISCLOSURES (Cont'd)

#### BIODIVERSITY CONSERVATION

Given that Tashin's operations may not be situated in rich biodiversity areas, the Company acknowledges the importance of biodiversity conservation and preservation by adopting a proactive approach. This can indirectly contribute to the broader global effort to safeguard biodiversity and ensure the long-term sustainability of the planet.

The details of Tashin's operations as presented below:

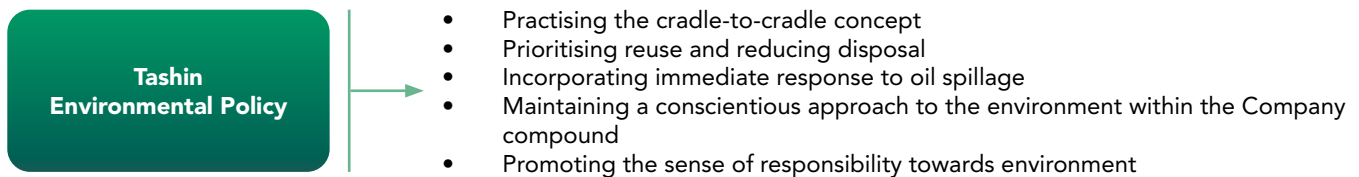
Operation Information	FY2023
Subsurface and underground land that may be owned, leased, or managed by the organisation	Owned by Tashin
Type of operations	Combined manufacturing facilities and office
Size of operational site	615,576 square feet

Specifically, Tashin plays a crucial role in the implementation of conservation measures which includes practising sustainable use of raw materials by promoting reuse and recycle approach, as well as adopting eco-friendly production processes through the use of renewable materials.

Additionally, promoting responsible waste management practices, reducing emissions, and adhering to stringent environmental standards are also integral components of biodiversity conservation for the steel industry.

#### ENVIRONMENTAL MONITORING AND COMPLIANCE

As a responsible manufacturer, Tashin exemplifies a strong commitment to environmental preservation through its comprehensive Environmental Policy. The Company's commitment stems from a strategic approach outlined in its Environmental Policy, which advocates for the following practices:



In addressing various forms of pollution arising from the operations, Tashin employs practical measures such as for noise reduction, the Company incorporates recommendations from the noise assessors to minimise noise levels and to ensure keeping noise levels within safe limits for a safe and healthy workplace.

On the other hand, water and effluent pollution is managed through the installation of grease traps at water discharge outlets, while air emissions are monitored using the Air Stack Monitoring Report. Tashin also emphasises prompt action by clearing soil spillages immediately. To ensure compliance, the Group adheres to industry and regulatory standards, which include:

- Environmental Quality Act, 1974
- Environmental Quality (Clean Air) Regulation 2014
- Environmental Quality (Schedule Wastes) Regulation 2005

Notably, Tashin's environmental performance has demonstrated improvement, particularly in energy conservation, attributed to the successful installation of solar panels. This positive outcome aligns with the Company's commitment and signifies a proactive approach to achieving set key performance indicators and targets.

## Sustainability Statement

### SOCIAL DISCLOSURES

Within the operations of Tashin, the Company acknowledged the significant contribution of its people. Thus, a robust programme on career and skill development has been created for the employees to achieve career progression and enhance the opportunity towards better socio-economic status.

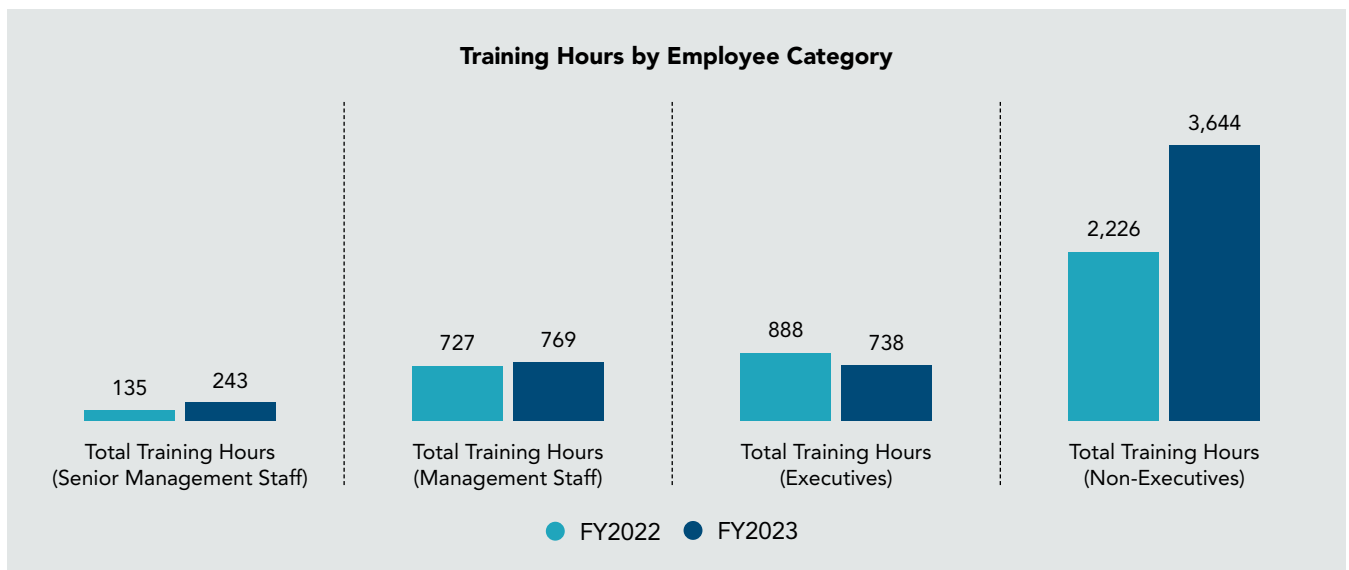
The Company is also aware of the unique position it occupies within the community. Through various measures that have been put in place, the Company strives to support social causes that ultimately contribute to the development and empowerment of the local communities.

### TALENT MANAGEMENT AND DEVELOPMENT

Tashin places paramount importance on continuous staff development through robust training initiatives, a cornerstone of the Company's talent management approach. The Company's commitment to addressing competency gaps through targeted training programmes underscores its dedication to nurturing a skilled and motivated workforce in line with the values of growth, development, and sustainability, encompassing key aspects like safety, health, positive workplace engagement, team building, conflict resolution, ethics, integrity, time management, and privacy and security.

Tashin is embarking on training needs analyses for each department to ensure all of its employees will receive training and upskilling relevant to their competencies and match the job requirements.

The Human Resources department, playing a central role, manages the process by overseeing analyses conducted by Heads of Department and implementing a thorough training calendar based on these assessments. In further support, Tashin utilises the Human Resources Development Fund, directing financial resources specifically for employee training and development, as well as fostering a culture of continuous learning and skill enhancement.



### HIRING AND RETENTION

Tashin hired a total of 27 new employees in FY2023, which brought its total employee count to 284 personnel as at 31 December 2023. The workforce comprises local talents and 59.5% consists of foreigners at its operations. Tashin does not hire contractors or temporary staff.

Attrition rates remained healthy in FY2023 compared to industry peers, with 27 (9.5%) employees undergoing attrition. The FY2023 attrition rate is shown here:

Total Turnover by Employee Category	FY2021	FY2022	FY2023
Senior Management	0	0	0
Management	1 (6.3%)	1 (5.6%)	0
Executives	0	1 (4.6%)	1 (4.8%)
Non-Executives	56 (29.6%)	52 (23.2%)	33 (14.8%)

## Sustainability Statement

## SOCIAL DISCLOSURES (Cont'd)

## HIRING AND RETENTION (Cont'd)

Category	Resigned	Average Head Count	Attrition Rate (%)
Managerial and above	0	37	0
Executive and below	34	244	13.9

\* Figures are derived from the average headcount for the year

## DIVERSITY AND EQUAL OPPORTUNITY

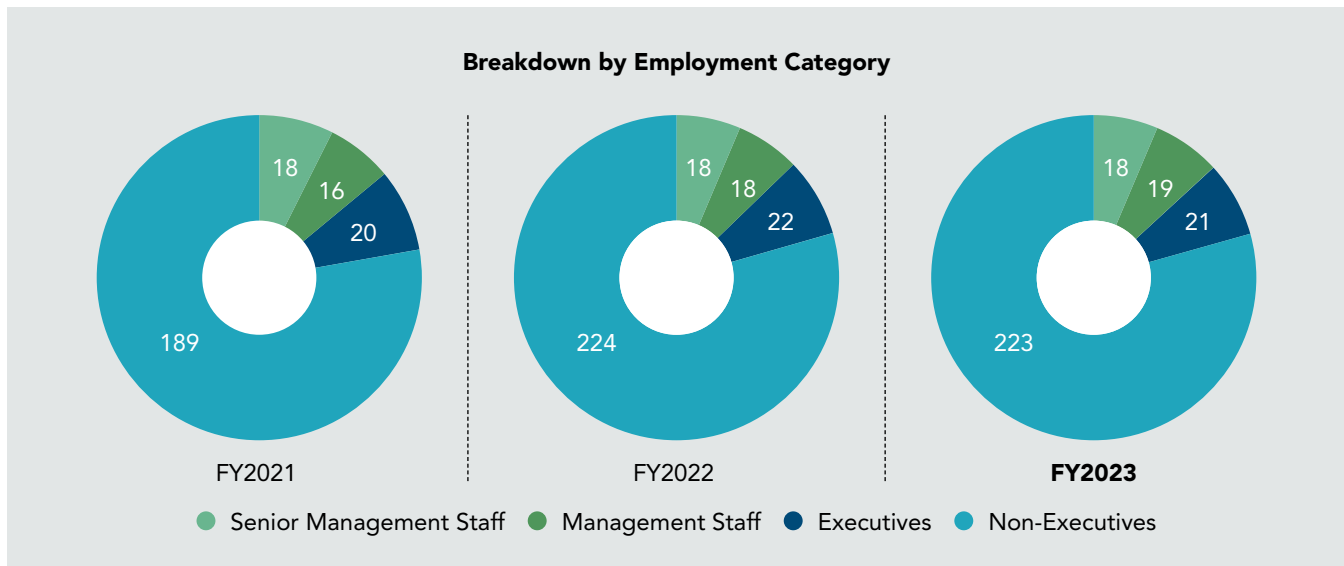
The Company practices a non-discriminatory approach concerning its workforce whereby employees are judged purely based on competence, qualification, experience, and professional contributions. Discrimination will not be tolerated. Further, a diverse workforce enriches the Company by bringing innovative ideas from various perspectives, enhancing experience and learning. Tashin has continued to provide equal opportunities at all employment levels, regardless of gender and background differences.

The Company also takes all necessary measures to ensure that there is an even gender ratio within the workforce. However, within the steel sector, there is a natural skew towards more male employees given the physically demanding nature of the job. The attempt to balance this skew is by hiring more women into the workforce in other aspects of the organisation, such as in office and management-related positions.

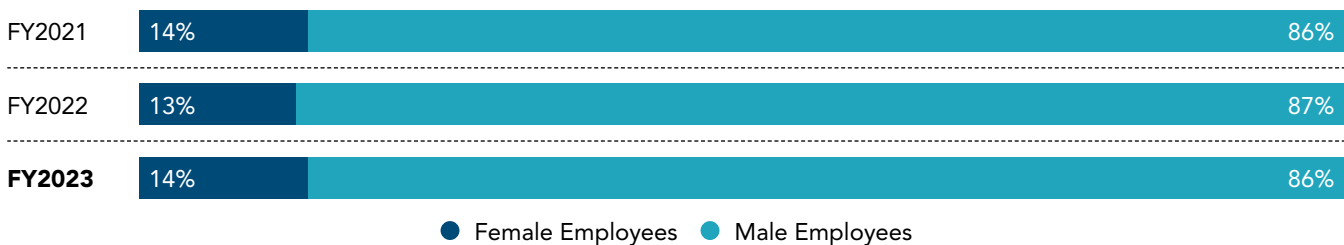
Tashin divides its workforce into several different categories based on the role they play within the organisation. In FY2023, these categories were defined as such:

- (a) Senior Management
- (b) Management
- (c) Executives
- (d) Non-Executives

The general presentation of Tashin's workforce is illustrated as follows:



## Breakdown by Gender

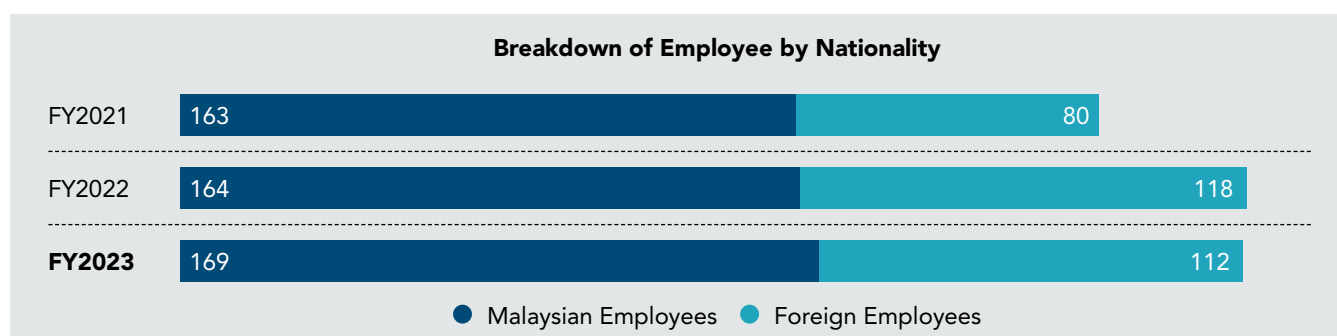


## Sustainability Statement

## SOCIAL DISCLOSURES (Cont'd)

## DIVERSITY AND EQUAL OPPORTUNITY (Cont'd)

	Percentage of Employees By Gender		
	FY2021	FY2022	FY2023
<b>Senior Management</b>			
Female	0	0	0
Male	100.00%	100.00%	100.00%
<b>Management</b>			
Female	37.50%	38.89%	36.84%
Male	62.50%	61.11%	63.16%
<b>Executive</b>			
Female	50.00%	50.00%	52.38%
Male	50.00%	50.00%	47.62%
<b>Non-Executive</b>			
Female	10.05%	8.48%	8.97%
Male	89.95%	91.52%	91.03%



## EMPLOYEE BENEFITS AND WELL-BEING

Tashin continues to provide one of the most competitive remuneration packages and benefits in the country as part of its ongoing strategy to attract and retain good talent. Its wage structure carefully takes into account the respective qualifications, skills, experience and capabilities of the job role and talent to form a solid remuneration offer for its talents.

Besides wages, benefits of full-time Tashin employees include:

Paid sick leave, depending on the period of service.

- 14 days for less than 2 years
- 18 days for between 2 - 5 years
- 22 days for between 5 - 8 years
- 22 days for more than 8 years

A period of up to 60 days is granted if hospitalisation is necessary

Maternity leave (98 consecutive days for each confinement period)

Paternity leave (7 consecutive days)

Marriage leave (2 working days)

Compassionate leave (2 working days)

Health and medical coverage

Paid and unpaid leave

Bereavement benefits

Retirement benefits

Prolonged illness

\*Overtime compensation (either by pay or leave)

\*As stipulated by Labour Laws

## Sustainability Statement

### SOCIAL DISCLOSURES (Cont'd)

#### EMPLOYEE BENEFITS AND WELL-BEING (Cont'd)

The Company also continues to comply with the government-legislated minimum wage structure in all of its operating markets and therefore affirms its observance of this basic human right for its employees.

No significant gender bias or discrimination affects its remuneration strategy. There is a healthy gap in median salary differences between male and female employees which Tashin will continue to champion going forward.

Tashin has put in place a fair and competitive remuneration package for its employees, including contributions to EPF, SOCSO and other related monetary bonuses and monetary benefits.

Employee benefits (RM)	FY2021	FY2022	FY2023
Total payments made to employees in terms of salaries, bonuses and benefits	11,178,252	12,472,325	<b>13,593,224</b>
Total statutory payments made for employees' retirement benefits (EPF)	1,259,495	1,385,725	<b>1,702,864</b>
Total payments in medical insurance (SOCSO) for employees	138,778	166,076	<b>194,184</b>

#### OCCUPATIONAL HEALTH AND SAFETY

Tashin views OHS as a vital component of the Company's operations that highlights the concern over the safety and well-being of its employees, third party workers, local communities, as well as other stakeholders.

The ultimate goal of OHS for Tashin is to foster a safe and conducive working environment. Injuries, accidents, mishaps or fatalities are a tragedy that must be avoided at all costs. By ensuring that the Company can provide a safe and secure workspace, employees will be given the peace of mind to perform their best and, most importantly, return home safely to their families and loved ones.

From a business operation perspective, any OHS incident is likely to impede work progress. Damages and delays can have a direct impact on the financial performance of Tashin, as well as its reputation and perception as a safe and reliable Company. Therefore, a robust OHS management system is necessary to reduce risks, comply with all regulations and drive down cost impact on incidents.

#### OCCUPATIONAL SAFETY AND HEALTH POLICY

Tashin is resolutely committed to safeguarding the safety and health of its workforce, encompassing employees, contractors, volunteers, and visitors across its Group and subsidiaries. Its commitment to health and safety is evident in its policies and procedures, which are regularly reviewed and updated to ensure they are in line with the latest industry standards and best practices.

By proactively minimising and eliminating risks, Tashin continues to emphasise the shared responsibility of all personnel for maintaining a safe work environment. The Company is dedicated to providing accessible healthcare, mandating the use of protective equipment, and ensuring hazard management facilities.

#### OHS PERFORMANCE

Tashin has incorporated Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to identify work-related hazards. Findings from HIRARC will be used to improve its processes, including the OHS management system, control measures, standard operating procedures, and training requirements.

Each process is covered by the HIRARC system whereby all hazards and potential risks identified along the process are protected according to six hierarchy controls (elimination, substitution, isolation, engineering control, administrative control and personal protective equipment ("PPE")). Safety and Health Committee ("S&H Committee") has undergone HIRARC training. HIRARC procedures are also displayed at each working station. This further ensures that all its activities are conducted safely and responsibly, protecting both the employees and the environment.

Tashin's S&H Committee consists of the Chairman (from the Management team) and is assisted by the Safety and Health Officer (SHO) as well as representatives from relevant departments and operational units. S&H Committee which meets on a quarterly basis will bring together key stakeholders to discuss the HIRARC results and consult on OHS issues, identify areas for improvement, and share best practices.

To ensure continuous monitoring of OHS issues, the Company also conducts quarterly assessments to evaluate progress and identify opportunities for improvement. These assessments help the Company to stay focused on achieving the objectives of the Occupational Safety and Health Policy which include:

1. Prevent workplace injuries and illness
2. Improve compliance with laws and regulations
3. By protecting workers, production will be more efficient and productive
4. Reducing downtime caused by illness and accidents
5. A good health and safety records build trust in the Company's image and reputation

## Sustainability Statement

### SOCIAL DISCLOSURES (Cont'd)

#### OCCUPATIONAL HEALTH AND SAFETY (Cont'd)

##### OHS PERFORMANCE (Cont'd)

	FY021	FY2022	FY2023
Total manhour worked	466,128 hour	681,408 hour	<b>691,392 hour</b>
Lost time injury ("LTI")	4.27	7.33	<b>1.45</b>
Fatalities	0	0	<b>0</b>

Due to strict adherence to the safety process, Tashin has successfully reduced the LTI score to 1.45 in FY2023.

Safety and health performance is also evaluated yearly by a third party (Government agency - Department of Safety and Health).

#### SAFETY TRAINING

Regular training and communication are critical to maintaining a strong safety and health programme.

There are two types of training provided to employees:

i. Compliance training	First Aider, Emergency Response Team (ERT), Chemical Handling, PPE, Noise Management at Workplace, Forklift Crane Handling and Ergonomic
ii. Awareness	OSHA (Legal Register), Fire Extinguisher, HIRARC, Accident and Investigation

#### ADVOCATING HUMAN AND LABOUR RIGHTS

Tashin remains committed to closely monitoring essential social factors, such as human and labour rights. This commitment is guided by the United Nations Global Compact on Business and Human Rights, as well as the Children and Young Person Act (Employment) 1966 in Malaysia.

In addressing human and labour rights concerns, the Company is actively exploring the introduction of a formal policy to establish comprehensive human rights guidelines for its subsidiaries. While this policy is in the developmental phase, the Company remains vigilant in monitoring potential human rights violations in its business operations.

The Company staunchly opposes all forms of modern slavery, including child labour, forced labour, and human trafficking, explicitly prohibiting such practices within the Company and its suppliers. Tashin engages in continuous due diligence with suppliers to ensure adherence to relevant human trafficking laws. Notably, Tashin does not currently have a specific policy addressing children's rights; however, it does not employ children. The Whistleblowing Policy & Guidelines encompass grievance mechanisms for those impacted by business activities, with a commitment to remedy situations where the Company has identified its contribution to human rights impacts.

Demonstrating an unwavering commitment to human and labour rights, the Company reports zero incidents of human rights violations in FY2023. This underscores the efficacy of measures in place to protect and uphold human rights within the Company's operations.

#### COMMUNITY ENGAGEMENT AND DEVELOPMENT

As a responsible corporate citizen, Tashin is aware of the crucial role it plays in positively impacting communities and the environment via its CSR efforts. Through the unwavering support from the Management and employees, the Company strives to enrich local communities by providing a wide range of financial and non-financial support.

In FY2023, Tashin has invested approximately RM102,898 for several CSR programmes. Apart from financial contributions as a Company, Tashin also actively encourages its employees to participate in CSR activities organised by the Company. Overall, the Company has recorded 708 total hours with 122 proactive staff participation from its workforce (43%) in the various programmes organised in FY2023.

## Sustainability Statement

### SOCIAL DISCLOSURES (Cont'd)

#### COMMUNITY ENGAGEMENT AND DEVELOPMENT (Cont'd)

##### Donation to the elderly residents of Pusat Penjagaan Ceria

###### Items Donated:

- Adult Diapers
- Detergents
- Commode Chair
- Anti-Septic
- Snacks and Milk Powder



Blood Donation drive was held at Tashin head office, assisted by Hospital Seberang Jaya. A total of 36 staff participated in the programme.



A Team Building programme was held for 68 employees held in two sessions.

The objective of the programme was to, amongst others, enhance trust and communication as well as to instil winning attitude and mindset change towards achieving desired performance.



Tashin organised a beach cleaning event at the Bagan Ayam Rest Area involving 40 of its staff. A total of 114kg of thrash was successfully collected from the area.



#### Other Engagement Activities and Events with Staff in FY2023

- Company Annual Dinner
- Chinese New Year Celebration
- Hari Raya Celebration
- Christmas Gift Exchange

## Sustainability Statement

## APPENDIX

## BURSA SUSTAINABILITY DISCLOSURE INDEX

## Common Indicators

Common No.	Sustainability Matters	Code	Indicators	Location / Explanation
1.	Anti-corruption	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	Anti-Corruption Training And Communication, page 26
		C1 (b)	Percentage of operations assessed for corruption-related risks	X
		C1 (c)	Confirmed incidents of corruption and action taken	Anti-Corruption Training and Communication, page 26
2.	Community/ Society	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Community Engagement And Development, page 45-46
		C2 (b)	Total number of beneficiaries of the investment in communities	Community Engagement And Development, page 45-46
3.	Diversity	C3 (a)	Percentage of employees by gender and age group, for each employee category	Diversity And Equal Opportunity, page 42-43
		C3 (b)	Percentage of directors by gender and age group	Board Composition And Diversity, page 24-26
4.	Energy management	C4 (a)	Total energy consumption	Energy Management, page 35-36
5.	Health and safety	C5 (a)	Number of work-related fatalities	OHS Performance, page 45
		C5 (b)	Lost time incident rate	OHS Performance, page 45
		C5 (c)	Number of employees trained on health and safety standards	Bursa ESG Performance Data Table, page 48-49
6.	Labour practices and standards	C6(a)	Total hours of training by employee category	Talent Management And Development, page 41
		C6 (b)	Percentage of employees that are contractors or temporary staff	Hiring And Retention page 41-42
		C6 (c)	Total number of employee turnover by employee category	Hiring And Retention, page 41-42
		C6 (d)	Number of substantiated complaints concerning human rights violations	Advocating Human And Labour Rights, page 45
7.	Supply chain management	C7 (a)	Proportion of spending on local suppliers	Local Procurement And Supply Chains, page 33
8.	Data privacy and security	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Product Quality And Customer Satisfaction, page 32
9.	Water	C9 (a)	Total volume of water used	Water Management, page 36-37
10.	Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) total waste diverted from disposal (ii) total waste directed to disposal	Waste Management, page 37-39
11.	Emissions management	C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	Climate Change And Emissions, page 34-35
		C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	
		C11 (c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	



## Sustainability Statement

## APPENDIX (Cont'd)

## BURSA ESG PERFORMANCE DATA TABLE (Cont'd)

Topic	Indicators	FY2021	FY2022	FY2023
<b>Common Indicators</b>				
Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	X	X	Managerial: 89.2% Executive: 100% Operational: 11.2%
	Percentage of operations assessed for corruption-related risks	X	X	X
	Confirmed incidents of corruption and action taken	X	X	0
Community/ Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM 100,755	RM 198,000	RM 102,898
	Total number of beneficiaries of the investment in communities	7	10	12
Diversity	Percentage of employees by gender:			
	Total Staff	Male: 86% Female: 14%	Male: 87% Female: 13%	Male: 86% Female: 14%
	Managerial staff	Percentage of Employees By Gender		
	Managerial staff	<b>Senior Management</b>		
	Executive staff	Female: 0 Male: 100.00%	Female: 0 Male: 100.00%	Female: 0 Male: 100.00%
	Non-Executive staff	<b>Management</b>		
	Labour Staff	Female: 37.50% Male: 62.50%	Female: 38.89% Male: 61.11%	Female: 36.84% Male: 63.16%
		<b>Executive</b>		
		Female: 50.00% Male: 50.00%	Female: 50.00% Male: 50.00%	Female: 52.38% Male: 47.62%
		<b>Non-Executive</b>		
		Female: 10.05% Male: 89.95%	Female: 8.48% Male: 91.52%	Female: 8.97% Male: 91.03%
	Percentage of employees by age group:			
	Senior Management staff	< 30: 0% 31-50: 33% > 50: 66%	< 30: 0% 31-50: 33% > 50: 66%	<30: 0% 31-50: 22% > 50: 78%
	Management staff	< 30: 6% 31-50: 69% > 50: 25%	< 30: 6% 31-50: 72% > 50: 22%	< 30: 5% 31-50: 74% > 50: 21%
	Executive staff	< 30: 10% 31-50: 70% > 50: 20%	< 30: 14% 31-50: 64% > 50: 22%	< 30: 5% 31-50: 72% > 50: 23%
	Non Executive Staff	< 30: 31% 31-50: 60% > 50: 9%	< 30: 34% 31-50: 58% > 50: 8%	< 30: 32% 31-50: 60% > 50: 8%
Percentage of directors by gender	Male: 80% Female: 20%	Male: 80% Female: 20%	Male: 80% Female: 20%	
Percentage of directors by age group	< 30: 0% 31-50: 10% > 50: 90%	< 30: 0% 31-50: 10% > 50: 90%	< 30: 0% 31-50: 10% > 50: 90%	

## Sustainability Statement

## APPENDIX (Cont'd)

## BURSA ESG PERFORMANCE DATA TABLE

Topic	Indicators	FY2021	FY2022	FY2023
<b>Common Indicators</b>				
Energy management	Total energy consumption (GJ)	8,900	8,585	10,383
Health and safety	Number of work-related fatalities	0	0	0
	Lost time incident rate	4.27	7.33	1.45
	Number of employees trained on health and safety standards	95	157	162
Labour practices and standards	Total hours of training by employee category	Managerial: 0 Executive: 0 Non-Executive: 0	Managerial: 0 Executive: 0 Non-Executive: 0	Managerial: 4 Executive: 14 Non-Executive: 14
	Percentage of employees that are contractors or temporary staff	0	0	0
	Total number of employee turnover by employee category	Management:1 Executive: 0 Non Executive: 56	Management:1 Executive: 1 Non Executive: 52	Management:0 Executive: 1 Non Executive: 33
	Number of substantiated complaints concerning human rights violations	0	0	0
Supply chain management	Proportion of spending on local suppliers	44%	61%	59.9%
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Water	Total volume of water used (Megalitres)	18.81	19.08	20.62
Waste management	Total waste generated, and a breakdown of the following:	139.41	171.31	123.54
	(i) total waste diverted from disposal (tonnes)	--	--	--
	(ii) total waste directed to disposal (tonnes)	--	--	--
Emissions management	Scope 1 emissions in tonnes of CO <sub>2</sub> e	111.3	141.0	161.7
	Scope 2 emissions in tonnes of CO <sub>2</sub> e	1,362.2	1,314.0	1,371.1
	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	30,640.4	31,547.9	27,358.8

## Legend:

X	No Data
NA	Not Applicable
*	Restated

## Sustainability Statement

## APPENDIX (Cont'd)

## GLOBAL REPORTING INITIATIVES ("GRI") INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS	
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	About This Report, page 19
	2-2	Entities included in the organisation's sustainability reporting	Reporting Scope And Boundary, page 20
	2-3	Reporting period, frequency and contact point	Report Availability, page 20
	2-4	Restatements of information	This is our inaugural report, no restatements applicable at this time.
	2-5	External assurance	Assurance, page 20
	2-6	Activities, value chain and other business relationships	Stakeholder Engagement, page 28
	2-7	Employees	Diversity And Equal Opportunity, page 42-43
	2-9	Governance structure and composition	Sustainability Governance Approach, page 22
	2-10	Nomination and selection of the highest governance body	Sustainability Governance, page 22
	2-11	Chair of the highest governance body	
	2-12	Role of the highest governance body in overseeing the management of impacts	
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	
	2-16	Communication of critical concerns	Anti-Corruption Training And Communication, page 26
	2-17	Collective knowledge of the highest governance body	Board Composition And Diversity, page 24-26
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	Chairperson's Message, page 21
	2-22	Statement on sustainable development strategy	
	2-23	Policy commitments	Sustainability Policy, Framework And Key Commitments, page 23-24
	2-24	Embedding policy commitments	Sustainability Policy, Framework And Key Commitments, page 23-24
	2-25	Processes to remediate negative impacts	Anti-Corruption And Anti-Bribery Policy, page 26
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing Mechanisms, page 27
	2-27	Compliance with laws and regulations	Anti-Corruption And Anti-Bribery Policy, page 26
	2-28	Membership associations	Membership In Associations, page 19
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 28

## Sustainability Statement

## APPENDIX (Cont'd)

## GLOBAL REPORTING INITIATIVES ("GRI") INDEX (Cont'd)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE / REASONS FOR OMISSIONS
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	Assessing Materiality, page 29-31
	3-2	List of material topics	
	3-3	Management of material topics	
<b>ECONOMIC</b>			
<b>GRI 201: Economic Performance 2016</b>	3-3	Management of material topics	Economic Disclosures, page 31
	201-1	Direct economic value generated and distributed	
<b>GRI 203: Indirect Economic Impacts 2016</b>	3-3	Management of material topics	Direct And Indirect Economic Impacts, page 31-32
	203-1	Infrastructure investments and services supported	
	203-2	Significant indirect economic impacts	
<b>GRI 204: Procurement Practices 2016</b>	3-3	Management of material topics	Local Procurement And Supply Chains, page 33
	204-1	Proportion of spending on local suppliers	
<b>GOVERNANCE</b>			
<b>GRI 205: Anti-corruption 2016</b>	3-3	Management of material topics	Anti-Corruption Training And Communication, page 26
	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and actions taken	
<b>GRI 418: Customer Privacy 2016</b>	3-3	Management of material topics	Product Quality And Customer Satisfaction, page 32
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
<b>ENVIRONMENTAL</b>			
<b>GRI 301: Materials 2016</b>	3-3	Management of material topics	Environmental Disclosures, page 34
<b>GRI 302: Energy 2016</b>	3-3	Management of material topics	Energy Management, page 35-36
	302-1	Energy consumption within the organisation	
	302-4	Reduction of energy consumption	
	302-5	Reductions in energy requirements of products and services	
<b>GRI 303: Water and Effluents 2018</b>	3-3	Management of material topics	Water Management, page 36-37
	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
<b>GRI 304: Biodiversity 2016</b>	3-3	Management of material topics	Biodiversity Conservation, page 40
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	

## Sustainability Statement

## APPENDIX (Cont'd)

## GLOBAL REPORTING INITIATIVES ("GRI") INDEX (Cont'd)

GRI STANDARD		DISCLOSURE	PAGE REFERENCE / REASONS FOR OMISSIONS
<b>GRI 305: Emissions 2016</b>	3-3	Management of material topics	Climate Change And Emissions, page 34-35
	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
<b>GRI 306: Waste 2020</b>	3-3	Management of material topics	Waste Reduction Initiatives, page 38-39
	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	3-3	Management of material topics	
<b>SOCIAL</b>			
<b>GRI 401: Employment 2016</b>	3-3	Management of material topics	Social Disclosures, page 41
	401-1	New employee hires and employee turnover	Hiring And Retention, page 41-42
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits and Well-Being, page 43-44
<b>45GRI 403: Occupational Health and Safety 2018</b>	3-3	Management of material topics	Occupational Health And Safety, page 44
	403-1	Occupational health and safety management system	Occupational Safety and Health Policy, page 44
	403-2	Hazard identification, risk assessment, and incident investigation	OHS Performance, page 44-45
	403-5	Worker training on occupational health and safety	Safety Training, page 45
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-9	Work-related injuries	OHS Performance, page 45
<b>GRI 404: Training and Education 2016</b>	3-3	Management of material topics	Talent Management And Development, page 41
	404-1	Average hours of training per year per employee	
	404-2	Programs for upgrading employee skills and transition assistance programs	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3	Management of material topics	Board Composition And Diversity, page 24-26
	405-1	Diversity of governance bodies and employees	
<b>GRI 406: Non-discrimination 2016</b>	3-3	Management of material topics	Advocating Human And Labour Rights, page 45
	406-1	Incidents of discrimination and corrective actions taken	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	3-3	Management of material topics	
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
<b>GRI 408: Child Labor 2016</b>	3-3	Management of material topics	Advocating Human And Labour Rights, page 45
	408-1	Operations and suppliers at significant risk for incidents of child labour	

## Sustainability Statement

## APPENDIX (Cont'd)

## GLOBAL REPORTING INITIATIVES ("GRI") INDEX (Cont'd)

GRI STANDARD	DISCLOSURE		PAGE REFERENCE / REASONS FOR OMISSIONS
<b>GRI 409: Forced or Compulsory Labor 2016</b>	3-3	Management of material topics	Advocating Human And Labour Rights, page 45
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
<b>GRI 413: Local Communities 2016</b>	3-3	Management of material topics	Community Engagement And Development, page 45-46
	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
<b>GRI 414: Supplier Social Assessment 2016</b>	3-3	Management of material topics	Ethical And Responsible Supply Chain, page 27

## Corporate Governance Overview Statement

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 2023 ("FYE 2023").

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 2023. 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](http://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 systems 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"), the Risk Management Committee ("RMC") and the Sustainability Committee ("SC"). 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;

## Corporate Governance Overview Statement

### 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 that 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 can 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 and further revised on 15 December 2023.

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](http://www.tashin.com.my).



## Corporate Governance Overview Statement

### 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](http://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](http://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](http://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 had on 20 November 2023 approved the Sustainability Policy and Framework and established the Sustainability Committee on 15 December 2023.

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 are available on the Company's corporate website at [www.tashin.com.my](http://www.tashin.com.my).

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.

## Corporate Governance Overview Statement

### 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 comprised Independent Non-Executive Directors.

The presence of Independent Non-Executive Directors who come from various fields are invaluable asset 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, advice 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 that limits the tenure of its Independent Non-Executive Directors to nine (9) years. However, upon completion of the nine (9)-year 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 for conducting 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.

## Corporate Governance Overview Statement

### 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 2023.

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) female Directors out of ten (10) Directors, representing 20% of the total Boardroom.

##### e) New candidates for the Board's appointment

There was no new candidate appointed to the Board during FYE 2023. 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 meeting attended/held during FYE 2023
Mr. Sim Puei Chun	Chairman	1/1
Dato' Kalsom binti Abd. Rahman	Member	1/1
Encik Rusdy bin Ishak	Member	1/1

The role of the NC is to assist the Board in evaluating 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 2023, the main activities undertaken by the NC were as follows:

- Reviewed and recommended to the Board, the promotion of a key senior management.
- 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 independence 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](http://www.tashin.com.my).

## Corporate Governance Overview Statement

### Principle A – Board leadership and effectiveness (Cont'd)

#### Part II: Board composition (Cont'd)

#### 5) Board's objectivity (Cont'd)

##### (iii) NC (Con'td)

##### **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.

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.

## Corporate Governance Overview Statement

### 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 2023, 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 Part I and are committed to the continuous improvement of knowledge and skill sets.

During FYE 2023, 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"> <li>Mandatory Accreditation Programme Part II - Leading for Impact (LIP)</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Madam Khaw Chooi Kee	<ul style="list-style-type: none"> <li>AC Conference 2023 - ACs: Catalysts of Change</li> <li>Securities Commission's AOB Conversation with ACs</li> <li>Management of Cyber Risk</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Dato' Toh Yew Peng	<ul style="list-style-type: none"> <li>The Law and Practice on Inheritance</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>

## Corporate Governance Overview Statement

### 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)

Attended by	Seminars/Programmes
Mr. Lim Choon Teik	<ul style="list-style-type: none"> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Mr. Sim Puei Chun	<ul style="list-style-type: none"> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Mr. Toh Yew Seng	<ul style="list-style-type: none"> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Encik Rusdy bin Ishak	<ul style="list-style-type: none"> <li>AC Conference 2023 - ACs: Catalysts of Change</li> <li>Securities Commission's AOB Conversation with ACs</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Ir. Tan Tiong Ben	<ul style="list-style-type: none"> <li>AC Conference 2023 - ACs: Catalysts of Change</li> <li>Securities Commission's AOB Conversation with ACs</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Mr. Foong Kok Chuin	<ul style="list-style-type: none"> <li>Management of Cyber Risk</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> </ul>
Mr. Koay Kah Ee	<ul style="list-style-type: none"> <li>Virtual MIA International Accountants Conference 2023</li> <li>Management of Cyber Risk</li> <li>Understanding and Assessing ESG Risks, Trends and Developments</li> <li>Understanding ESG Data</li> <li>IFRS Standards Update and Latest Trends in Finance</li> <li>Bursa Malaysia's Enhanced Conflict of Interest Disclosure Requirements</li> <li>Decoding New Tax Measures in 2024 Budget</li> </ul>

#### 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, and 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.

## Corporate Governance Overview Statement

### 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 meeting attended/ held during FYE 2023
Dato' Kalsom binti Abd. Rahman	Chairperson	1/1
Mr. Sim Puei Chun	Member	1/1
Ir. Tan Tiong Ben	Member	1/1

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](http://www.tashin.com.my).

During FYE 2023, the main activities undertaken by the RC were as follows:

- Reviewed the remuneration package of the newly promoted key senior management.
- Reviewed and recommended to the Board, the Directors' fees.
- Reviewed and recommended to the Board, the benefits payable to the Directors from 9 June 2023 until the next AGM of the Company to be held in year 2024.
- Reviewed and discussed the remuneration packages and key performance indicators of the Managing Director, Executive Director and Senior Management of the Company.

#### 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 2023 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
<b>Non-Executive Directors</b>					
Dato' Kalsom binti Abd. Rahman	44	-	-	3	47
Mr. Sim Puei Chun	33	-	-	3	36
Madam Khaw Chooi Kee	36	-	-	3	39
Encik Rusdy bin Ishak	33	-	-	3	36
Ir. Tan Tiong Ben	33	-	-	3	36
Dato' Toh Yew Peng	33	-	-	3	36
Mr. Toh Yew Seng	33	-	-	3	36
Mr. Koay Kah Ee	33	-	-	3	36
<b>Executive Directors</b>					
Mr. Lim Choon Teik	33	-	-	3	36
Mr. Foong Kok Chuin	33	-	-	3	36

## Corporate Governance Overview Statement

### 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
<b>Non-Executive Directors</b>					
Dato' Kalsom binti Abd. Rahman	44	-	-	3	47
Mr. Sim Puei Chun	33	-	-	3	36
Madam Khaw Chooi Kee	36	-	-	3	39
Encik Rusdy bin Ishak	33	-	-	3	36
Ir. Tan Tiong Ben	33	-	-	3	36
Dato' Toh Yew Peng	54	-	-	3	57
Mr. Toh Yew Seng	54	-	-	3	57
Mr. Koay Kah Ee	33	-	-	3	36
<b>Executive Directors</b>					
Mr. Lim Choon Teik	60	624	104	129	917
Mr. Foong Kok Chuin	33	516	84	103	736

#### 10) Remuneration of top five (5) key senior management

The top five (5) 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	2
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.



## Corporate Governance Overview Statement

### 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 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 amendments to Bursa Malaysia Securities AMLR, the Board has revised its terms of reference of the AC on 30 June 2023 to require AC to review any conflict of interest situation that may arise within the Group.

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 qualifications 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.

## Corporate Governance Overview Statement

### 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](http://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 Sixth AGM of the Company held on 8 June 2023 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 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.

## Corporate Governance Overview Statement

### **Compliance with MCGG**

The Board is satisfied that during FYE 2023, the Company has complied with the best practices in MCGG 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 2 April 2024.

## Additional Compliance Information

### 1. Audit and Non-audit Fees

During the financial year ended 31 December 2023 ("FYE 2023"), BDO PLT, the External Auditors have rendered audit and non-audit services to Tashin Holdings Berhad ("THB" or "Company") and its Group. The breakdown of the fees payable to the External Auditors is as follows:-

	Company (RM)	Group (RM)
Statutory audit fees	23,000	100,000
Non-audit fees for review of Statement on Risk Management and Internal Control	4,000	4,000
<b>Total</b>	<b>27,000</b>	<b>104,000</b>

### 2. 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 2023 or, if not then subsisting, entered into since the end of the previous financial year.

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

The RRPTs entered into by the Group during FYE 2023 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 2023
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 <sup>(1)</sup>	1,586,598
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") <sup>(2)</sup>	3,442,867
Purchases of goods from Prestar Group including steel pipes, steel sheets, highway guardrail beams, channel posts, 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 <sup>(1)</sup>	1,764

Notes:

- <sup>(1)</sup> The following Directors and/or major shareholders of THB are deemed interested:
- (i) Prestar, a major shareholder of THB;
  - (ii) Fabulous Essence Sdn. Bhd., a 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., a 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, a major shareholder of Prestar and 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.
- <sup>(2)</sup> The following Director and/or major shareholders of THB are deemed interested:
- (i) Lim Choon Teik, a 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.

## Statement on Risk Management and Internal Control

### 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 for ensuring 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 is 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.

## Statement on Risk Management and Internal Control

### 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 2023 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"> <li>• Production</li> <li>• In-Process Quality Assurance and Control</li> </ul>	Tashin Hardware Sdn. Bhd.
<ul style="list-style-type: none"> <li>• Raw Material Control - Receiving and Warehousing</li> <li>• Quality Control</li> </ul>	Tashin Steel Sdn. Bhd.

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 the 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 2023 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 2 April 2024.

## Audit Committee Report

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 2023 (“FYE 2023”).

The Board has approved this AC Report by a resolution dated 2 April 2024.

### 1. CONSTITUTION

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

### 2. COMPOSITION OF THE AC AND MEETING 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 2023, 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 2023, 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 2023

During FYE 2023, 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 cooperation level.
- b) Reviewed the audit completion report for the financial year ended 31 December 2022 prepared by the external auditors.
- c) Reviewed the suitability, objectivity and independence of the external auditors to recommend their re-appointment to the Board for recommendation to the shareholders for approval during the Sixth Annual General Meeting of the Company.
- d) Reviewed the performance of the internal auditors for the financial year ended 31 December 2022.
- 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 2022 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 2022 Annual Report.
- i) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 28 April 2023.
- j) Reviewed the internal audit report.

## Audit Committee Report

### 3. SUMMARY OF KEY ACTIVITIES FOR FYE 2023 (Cont'd)

During FYE 2023, the main activities undertaken by the AC were as follows: (Cont'd)

- k) Reviewed the audit planning memorandum for the financial year ending 31 December 2023 prepared by the external auditors.
- l) Reviewed the revised Internal Audit Function ("IAF") evaluation form.
- m) Reviewed the declaration of any conflict of interest or potential conflict of interest by the AC members.

### 4. TERMS OF REFERENCE

The full terms of reference of the AC are available at the Company's website at [www.tashin.com.my](http://www.tashin.com.my).

### 5. STATEMENT ON INTERNAL AUDIT FUNCTION

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 for conducting reviews in accordance with the internal audit plan or other ad-hoc assignments which are approved by the AC.

The AC reviews the internal audit findings half-yearly with the internal auditors and discusses the corrective action plans 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 2023, the IAF has successfully conducted the following audits in accordance with their Internal Audit Plan 2023 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"> <li>• Production</li> <li>• In-Process Quality Assurance and Control</li> </ul>	Tashin Hardware Sdn. Bhd
<ul style="list-style-type: none"> <li>• Raw Material Control - Receiving and Warehousing</li> <li>• Quality Control</li> </ul>	Tashin Steel Sdn. Bhd.

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 2023 was approximately RM28,000 (Financial year ended 31 December 2022: RM28,000).



## Statement of Directors' Responsibility

Preparation of the Audited Financial Statements of Tashin Holdings Berhad ("the Company") for the financial year ended 31 December 2023 ("FYE 2023")

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 2023, 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 2023, 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 2 April 2024.

## Directors' Report

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 2023.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

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

### SUBSIDIARIES

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of company	Effective interest in equity	Principal activities
Tashin Steel Sdn. Bhd. ("TSSB")	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
Tashin Hardware Sdn. Bhd. ("THSB")	100%	Manufacturing and trading of steel material and general hardware product

### RESULTS

	Group RM	Company RM
Profit for the financial year	6,165,617	5,527,159
Profit attributable to owners of the parent	6,165,617	5,527,159

### DIVIDENDS

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 2022	
Final single tier dividend of 2.0 sen per ordinary share, was paid on 14 July 2023	6,979,820

At the forthcoming Annual General Meeting, a final single tier dividend of 1.5 sen per ordinary share amounting to RM5,234,865 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 2024.

### 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' Report

### 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 2023 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 1.1.2023	Bought	Sold	

#### Shares in the Company

##### Direct interests:

Dato' Kalsom Binti Abd. Rahman	120,000	-	-	120,000
Dato' Toh Yew Peng	1,000,000	-	-	1,000,000
Lim Choon Teik	2,350,000	1,650,000	-	4,000,000
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	400,000	-	-	400,000
Foong Kok Chuin	695,000	1,500,000	-	2,195,000

##### Indirect interests:

Dato' Toh Yew Peng <sup>^</sup>	125,183,619	-	-	125,183,619
Lim Choon Teik <sup>#</sup>	112,516,379	-	(5,000,000)	107,516,379

<sup>^</sup> 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.

<sup>#</sup> Indirect interest by virtue of Lim Choon Teik's interests in Formula Naga Sdn. Bhd.

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' Report

### 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 2023 were as follows:

	Group RM	Company RM
Director fees	434,300	344,300
Emoluments other than fees	2,118,371	30,000
Defined benefit plan	48,230	-
	2,600,901	374,300

### 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 2023 was RM9,868 (2022: RM9,868).

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.
- (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.

## Directors' Report

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)

#### (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.

### 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 2023 were as follows:

	Group RM	Company RM
Statutory audit	100,000	23,000
Other assurance services	4,000	4,000
	<u>104,000</u>	<u>27,000</u>

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

.....  
**Lim Choon Teik**  
 Director

Kuala Lumpur  
 2 April 2024

.....  
**Toh Yew Seng**  
 Director

## Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 81 to 125 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2023 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  
 2 April 2024

.....  
**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 81 to 125 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                    )  
 2 April 2024                            )

**Foong Kok Chuin**

Before me:

Mardhiyyah Abdul Wahab  
 No. W 729  
 Pesuruhjaya Sumpah  
 (Commissioner for Oaths)  
 Kuala Lumpur

## Independent Auditors' Report

to The Members of Tashin Holdings Berhad

### 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 2023 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 material accounting policy information, as set out on pages 81 to 125.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("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 2023 were RM75,927,899 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.

#### 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.

## Independent Auditors' Report to The Members of Tashin Holdings Berhad

### Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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.
- 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.



## Independent Auditors' Report to The Members of Tashin Holdings Berhad

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

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  
2 April 2024

#### **Francis Cyril A/L S.R. Singam**

03056/04/2025 J

Chartered Accountant

**Statements of Financial Position**

As at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	<b>127,679,431</b>	129,939,356	<b>16,580</b>	19,641
Investment in subsidiaries	6	-	-	<b>167,330,999</b>	144,830,999
		<b>127,679,431</b>	129,939,356	<b>167,347,579</b>	144,850,640
<b>Current assets</b>					
Inventories	7	<b>106,424,778</b>	108,983,662	-	-
Trade and other receivables	8	<b>75,532,620</b>	85,379,779	<b>13,662,151</b>	24,003,309
Current tax assets		<b>2,160,157</b>	2,582,500	<b>12,200</b>	-
Cash and bank balances	9	<b>25,511,685</b>	50,675,401	<b>6,576,869</b>	20,216,090
		<b>209,629,240</b>	247,621,342	<b>20,251,220</b>	44,219,399
<b>TOTAL ASSETS</b>		<b>337,308,671</b>	377,560,698	<b>187,598,799</b>	189,070,039
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	10	<b>179,241,821</b>	179,241,821	<b>179,241,821</b>	179,241,821
Reserves	11	<b>78,805,640</b>	79,619,843	<b>7,981,683</b>	9,434,344
<b>TOTAL EQUITY</b>		<b>258,047,461</b>	258,861,664	<b>187,223,504</b>	188,676,165

## Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	12	15,224,000	18,124,400	-	-
Lease liabilities	5	289,950	623,151	-	-
Deferred tax liabilities	13	9,806,818	8,659,519	-	-
Provision for retirement benefits	16	1,534,785	1,372,332	-	-
		<b>26,855,553</b>	28,779,402	-	-
<b>Current liabilities</b>					
Trade and other payables	14	25,665,632	40,427,499	375,295	340,244
Borrowings	12	26,107,400	48,917,400	-	-
Derivative liabilities	15	237,240	129,147	-	-
Lease liabilities	5	395,385	391,956	-	-
Current tax liabilities		-	53,630	-	53,630
		<b>52,405,657</b>	89,919,632	<b>375,295</b>	393,874
<b>TOTAL LIABILITIES</b>		<b>79,261,210</b>	118,699,034	<b>375,295</b>	393,874
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>337,308,671</b>	377,560,698	<b>187,598,799</b>	189,070,039

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

## Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	18	<b>362,450,321</b>	434,302,607	<b>5,000,000</b>	5,000,000
Cost of sales		<b>(332,929,991)</b>	(400,093,084)	-	-
Gross profit		<b>29,520,330</b>	34,209,523	<b>5,000,000</b>	5,000,000
Other operating income		<b>2,336,168</b>	4,090,320	-	-
Selling and distribution expenses		<b>(3,471,751)</b>	(2,202,416)	-	-
Administrative expenses		<b>(16,408,161)</b>	(15,888,835)	<b>(429,313)</b>	(398,862)
Other operating expenses		<b>(562,062)</b>	(625,404)	<b>(128,979)</b>	(215,764)
Finance costs		<b>(2,623,470)</b>	(2,992,471)	-	-
Interest income		<b>671,675</b>	574,272	<b>1,220,482</b>	1,352,176
Net (loss)/gain on impairment of financial assets	19	<b>(172,000)</b>	142,743	-	-
Profit before tax	19	<b>9,290,729</b>	17,307,733	<b>5,662,190</b>	5,737,550
Tax expense	21	<b>(3,125,112)</b>	(4,182,976)	<b>(135,031)</b>	(233,196)
Profit for the financial year		<b>6,165,617</b>	13,124,757	<b>5,527,159</b>	5,504,354
<b>Other comprehensive income, net of tax</b>		-	-	-	-
Total comprehensive income for the financial year		<b>6,165,617</b>	13,124,757	<b>5,527,159</b>	5,504,354
Profit after tax attributable to:					
Owners of the parent		<b>6,165,617</b>	13,124,757	<b>5,527,159</b>	5,504,354
Total comprehensive income attributable to:					
Owners of the parent		<b>6,165,617</b>	13,124,757	<b>5,527,159</b>	5,504,354
Earnings per ordinary share attributable to owners of the parent (sen):					
Basic and diluted	22	<b>1.77</b>	3.76		

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

**Consolidated Statement of Changes in Equity**

For The Financial Year Ended 31 December 2023

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 2023		179,241,821	(124,830,999)	22,633,887	181,816,955	258,861,664	
Profit for the financial year		-	-	-	6,165,617	6,165,617	
Other comprehensive income, net of tax		-	-	-	-	-	
Total comprehensive income		-	-	-	6,165,617	6,165,617	
Transfer due to realisation of revaluation reserve		-	-	(813,597)	813,597	-	
<b>Transaction with owners</b>							
Dividend paid	23	-	-	-	(6,979,820)	(6,979,820)	
Balance as at 31 December 2023		179,241,821	(124,830,999)	21,820,290	181,816,349	258,047,461	

## Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2023

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		-
<b>Transaction with owners</b>							
Dividends 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

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

## Statement of Changes in Equity

For The Financial Year Ended 31 December 2023

Company	Note	Share capital RM	Retained earnings RM	Total equity RM
Balance as at 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
<b>Transaction with owners</b>				
Dividends paid	23	-	(10,469,730)	(10,469,730)
Balance as at 31 December 2022/ 1 January 2023		<b>179,241,821</b>	<b>9,434,344</b>	<b>188,676,165</b>
Profit for the financial year		-	5,527,159	5,527,159
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	5,527,159	5,527,159
<b>Transaction with owners</b>				
Dividend paid	23	-	(6,979,820)	(6,979,820)
Balance as at 31 December 2023		<b>179,241,821</b>	<b>7,981,683</b>	<b>187,223,504</b>

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

## Statements of Cash Flows

For The Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		<b>9,290,729</b>	17,307,733	<b>5,662,190</b>	5,737,550
Adjustments for:					
Depreciation of property, plant and equipment		<b>4,009,659</b>	3,620,952	<b>3,061</b>	3,061
Depreciation of right-of-use assets	5	<b>1,797,317</b>	1,474,055	-	-
Dividend income	18	-	-	<b>(5,000,000)</b>	(5,000,000)
Fair value loss on derivatives	15(c)	<b>108,093</b>	125,802	-	-
Gain on termination of leases	5(b)	<b>(257)</b>	(778)	-	-
Gain on disposal of property, plant and equipment	19	<b>(103,476)</b>	-	-	-
Impairment loss on trade receivables	8(g)	<b>1,274,000</b>	1,617,000	-	-
Interest expense		<b>2,623,470</b>	2,992,471	-	-
Interest income	19	<b>(671,675)</b>	(574,272)	<b>(1,220,482)</b>	(1,352,176)
Inventories written down	7(c)	-	259,663	-	-
Provision for retirement benefits	16	<b>162,453</b>	150,079	-	-
Property, plant & equipment written-off	19	<b>97,342</b>	-	-	-
Reversal of inventories written down	7(d)	<b>(5,702,065)</b>	(1,750,598)	-	-
Reversal of impairment losses on trade receivables	8(g)	<b>(1,102,000)</b>	(1,759,743)	-	-
Unrealised gain on foreign exchange	19	-	(23)	-	-
Operating profit/(loss) before changes in working capital		<b>11,783,590</b>	23,462,341	<b>(555,231)</b>	(611,565)
Working capital changes:					
Inventories		<b>8,260,949</b>	56,880,201	-	-
Trade and other receivables		<b>9,675,159</b>	257,178	-	58,334
Trade and other payables		<b>(14,761,867)</b>	(28,521,254)	<b>35,051</b>	(57,678)
Cash generated from/(used in) operations		<b>14,957,831</b>	52,078,466	<b>(520,180)</b>	(610,909)
Dividends received		-	-	-	5,000,000
Interest received		<b>671,675</b>	574,272	<b>1,220,482</b>	1,352,176
Tax paid		<b>(1,609,100)</b>	(16,415,222)	<b>(200,861)</b>	(270,178)
Net cash from operating activities		<b>14,020,406</b>	36,237,516	<b>499,441</b>	5,471,089
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net received/(advances) to subsidiaries		-	-	<b>15,341,158</b>	(10,668,121)
Purchase of ordinary share of a subsidiary		-	-	<b>(22,500,000)</b>	-
Proceeds from disposal of property, plant and equipment		<b>279,231</b>	-	-	-
Purchase of property, plant and equipment	4(a)	<b>(3,746,901)</b>	(56,474,143)	-	-
Net cash used in investing activities		<b>(3,467,670)</b>	(56,474,143)	<b>(7,158,842)</b>	(10,668,121)



## Statements of Cash Flows

For The Financial Year Ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayments of lease liabilities	5	(437,558)	(556,623)	-	-
Drawdown of revolving credit		1,000,000	-	-	-
Repayments of bankers' acceptances		(23,810,000)	(8,144,000)	-	-
Net (repayments)/drawdown of term loan		(2,900,400)	21,024,800	-	-
Interest paid		(2,588,674)	(2,968,074)	-	-
Dividends paid	23	(6,979,820)	(10,469,730)	(6,979,820)	(10,469,730)
Net cash used in financing activities		<u>(35,716,452)</u>	<u>(1,113,627)</u>	<u>(6,979,820)</u>	<u>(10,469,730)</u>
Net change in cash and cash equivalents		<b>(25,163,716)</b>	(21,350,254)	<b>(13,639,221)</b>	(15,666,762)
Cash and cash equivalents at beginning of financial year		<u>50,675,401</u>	72,025,655	<u>20,216,090</u>	35,882,852
Cash and cash equivalents at end of financial year	9	<u><b>25,511,685</b></u>	<u>50,675,401</u>	<u><b>6,576,869</b></u>	<u>20,216,090</u>

### RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Lease liabilities (Note 5)		Borrowings (Note 12)	
	2023 RM	2022 RM	2023 RM	2022 RM
Balance as at 1 January	1,015,107	252,860	67,041,800	54,161,000
Cash flows:				
Net repayments of bankers' acceptances	-	-	(23,810,000)	(8,144,000)
Net drawdown of revolving credit	-	-	1,000,000	-
Repayment of lease liabilities	(437,558)	(556,623)	-	-
Net (repayment)/drawdown of term loans	-	-	(2,900,400)	21,024,800
	<u>577,549</u>	<u>(303,763)</u>	<u>41,331,400</u>	<u>67,041,800</u>
Non-cash flows:				
Additions	84,604	1,334,124	-	-
Termination	(13,650)	(50,920)	-	-
Modification	2,036	11,269	-	-
Unwinding of interest	34,796	24,397	-	-
Balance as at 31 December	<u><b>685,335</b></u>	<u>1,015,107</u>	<u><b>41,331,400</b></u>	<u>67,041,800</u>

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

## Notes to The Financial Statements

31 December 2023

### 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 2023 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 2 April 2024.

### 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”), IFRS Accounting Standards 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.

## Notes to The Financial Statements

31 December 2023

### 4. PROPERTY, PLANT AND EQUIPMENT

Group 2023	Balance as at 1.1.2023 RM	Additions RM	Depreciation charge for the financial year RM	Termination RM	Modification RM	Reclassification RM	Disposal/ Written-off RM	Balance as at 31.12.2023 RM
<b>Carrying amount</b>								
<b>At valuation</b>								
Buildings								
- Owned	53,894,045	14,000	(1,498,021)	-	-	8,943	-	52,418,967
- Right-of-use assets	422,139	84,604	(193,646)	(13,393)	2,036	-	-	301,740
Leasehold land								
- Right-of-use assets	41,547,181	-	(1,449,823)	-	-	-	-	40,097,358
<b>At cost</b>								
Furniture, fittings and office equipment	1,254,139	394,421	(280,944)	-	-	-	-	1,367,616
Motor vehicles								
- Owned	2,195,508	872,705	(520,338)	-	-	-	(175,755)	2,372,120
- Right-of-use assets	861,089	-	(153,848)	-	-	-	-	707,241
Plant and machinery	18,697,842	2,421,316	(1,651,347)	-	-	9,862,461	-	29,330,272
Renovation	567,869	44,459	(59,009)	-	-	-	-	553,319
Construction work-in-progress	10,499,544	-	-	-	-	(9,871,404)	(97,342)	530,798
	<b>129,939,356</b>	<b>3,831,505</b>	<b>(5,806,976)</b>	<b>(13,393)</b>	<b>2,036</b>	<b>-</b>	<b>(273,097)</b>	<b>127,679,431</b>

## Notes to The Financial Statements

31 December 2023

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

	At 31 December 2023				
	Cost RM	Valuation RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
<b>At valuation</b>					
Buildings					
- Owned	-	64,537,325	(12,118,358)	-	52,418,967
- Right-of-use assets	-	1,064,521	(762,781)	-	301,740
Leasehold land					
- Right-of-use assets	-	46,460,714	(6,363,356)	-	40,097,358
<b>At cost</b>					
Furniture, fittings and office equipment	3,081,023	-	(1,713,407)	-	1,367,616
Motor vehicles					
- Owned	6,997,189	-	(4,625,069)	-	2,372,120
- Right-of-use assets	918,495	-	(211,254)	-	707,241
Plant and machinery	51,744,560	-	(21,455,427)	(958,861)	29,330,272
Renovation	616,159	-	(62,840)	-	553,319
Construction work-in-progress	530,798	-	-	-	530,798
	<b>63,888,224</b>	<b>112,062,560</b>	<b>(47,312,492)</b>	<b>(958,861)</b>	<b>127,679,431</b>

## Notes to The Financial Statements

31 December 2023

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

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
<b>Carrying amount</b>								
<b>At valuation</b>								
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
<b>At cost</b>								
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

## Notes to The Financial Statements

31 December 2023

### 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
<b>At valuation</b>					
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
<b>At cost</b>					
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

## Notes to The Financial Statements

31 December 2023

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

	Balance as at 1.1.2023 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
<b>Company</b>			

#### Carrying amount

Furniture, fittings and office equipment	19,641	(3,061)	16,580
--	--------	---------	--------

<----- At 31 December 2023 ----->			
	Cost RM	Accumulated depreciation RM	Carrying Amount RM
Furniture, fittings and office equipment	30,610	(14,030)	16,580

	Balance as at 1.1.2022 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
<b>Company</b>			

#### Carrying amount

Furniture, fittings and office equipment	22,702	(3,061)	19,641
--	--------	---------	--------

<----- At 31 December 2022 ----->			
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture, fittings and office equipment	30,610	(10,969)	19,641

(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2023 RM	2022 RM
Purchase of property, plant and equipment	3,831,505	57,808,267
Financed by lease arrangements (Note 5)	(84,604)	(1,334,124)
Cash payments on purchase of property, plant and equipment	3,746,901	56,474,143

## Notes to The Financial Statements

31 December 2023

**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.



## Notes to The Financial Statements

31 December 2023

### 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
<b>2023</b>				
Leasehold land	-	-	<b>40,097,358</b>	<b>40,097,358</b>
Buildings	-	-	<b>52,720,707</b>	<b>52,720,707</b>
<b>2022</b>				
Leasehold land	-	-	41,547,181	41,547,181
Buildings	-	-	54,316,184	54,316,184

- (i) There were no transfers between Level 1 and Level 2 fair value measurements during the financial years ended 31 December 2023 and 31 December 2022.
- (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 years, 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.

#### 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.

## Notes to The Financial Statements

31 December 2023

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

- (g) In the previous financial years, 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	
	2023 RM	2022 RM
Leasehold land	<b>23,529,579</b>	24,344,487
Buildings	<b>40,537,402</b>	41,671,676

- (h) As at the end of reporting period, certain buildings and leasehold land of the Group with carrying amount of RM15,461,159 (2022: RM16,078,296) and RM10,251,479 (2022: RM10,643,104) 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
<b>Carrying amount</b>				
Balance as at 1 January 2023	<b>41,547,181</b>	<b>422,139</b>	<b>861,089</b>	<b>42,830,409</b>
Additions	-	<b>84,604</b>	-	<b>84,604</b>
Depreciation charge for the financial year	<b>(1,449,823)</b>	<b>(193,646)</b>	<b>(153,848)</b>	<b>(1,797,317)</b>
Termination	-	<b>(13,393)</b>	-	<b>(13,393)</b>
Modification	-	<b>2,036</b>	-	<b>2,036</b>
Balance as at 31 December 2023	<b>40,097,358</b>	<b>301,740</b>	<b>707,241</b>	<b>41,106,339</b>

Group	Leasehold land RM	Building RM	Motor vehicles RM	Total RM
<b>Carrying amount</b>				
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.

## Notes to The Financial Statements

31 December 2023

### 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### The Group as lessee (Cont'd)

##### Lease liabilities

	Group	
	2023 RM	2022 RM
Balance as at 1 January	1,015,107	252,860
Additions	84,604	1,334,124
Modification	2,036	11,269
Termination	(13,650)	(50,920)
Lease payments	(437,558)	(556,623)
Interest expense	34,796	24,397
Balance as at 31 December	<u>685,335</u>	<u>1,015,107</u>
Represented by:		
Current liabilities	395,385	391,956
Non-current liabilities	289,950	623,151
	<u>688,335</u>	<u>1,015,107</u>
Lease liabilities owing to a financial institution	372,894	584,491
Lease liabilities owing to non-financial institutions	312,441	430,616
	<u>685,335</u>	<u>1,015,107</u>

- (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:

	Group	
	2023 RM	2022 RM
Depreciation charge of right-of-use assets (included in administration expense)	1,782,549	1,471,594
Depreciation charge of right-of-use assets (included in cost of sales)	14,768	2,461
Interest expense on lease liabilities (included in finance costs)	34,796	24,397
Gain on termination of leases (included in other operating income)	(257)	(778)
Expense relating to short-term leases (included in administration expense)	41,980	40,170
Expense relating to leases of low-value assets (included in cost of sales)	2,070	1,776
	<u>1,875,906</u>	<u>1,539,620</u>

## Notes to The Financial Statements

31 December 2023

### 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	
	2023 RM	2022 RM
Included in net cash used in operating activities:		
Payment relating to short term-lease and low value assets	44,050	41,946
Included in net cash used in financing activities:		
Payment of lease liabilities	<u>437,558</u>	<u>556,623</u>
Total cashflows for leases	<u>481,608</u>	<u>598,569</u>

(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% (2022: 3.92 to 4.19%).

### 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM

#### At cost

Unquoted shares	<u>167,330,999</u>	<u>144,830,999</u>
-----------------	--------------------	--------------------

(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.

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

Name of company	Effective interest in equity		Principal activities
	2023	2022	
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
Tashin Hardware Sdn. Bhd. ("THSB")*	100%	100%	Manufacturing and trading of steel material and general hardware product

\* Subsidiaries audited by BDO PLT, Malaysia.

(c) On 28 July 2023, the Company had acquired 22,500,000 new ordinary shares from the enlarged paid-up share capital of THSB, representing 90% equity interest in the share capital of THSB for a total cash consideration of RM22,500,000. Arising from the acquisition, there is no change in the effective interest in equity of THSB to the Company.

## Notes to The Financial Statements

31 December 2023

## 7. INVENTORIES

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
Raw materials	52,386,917	25,971,854
Inventory-in-transit	2,772,268	7,161,938
Manufactured and trading inventories	28,887,196	21,847,423
	<b>84,046,381</b>	54,981,215
<b>At net realisable value</b>		
Raw materials	14,552,000	40,191,583
Manufactured and trading inventories	7,826,397	13,810,864
	<b>22,378,397</b>	54,002,447
	<b>106,424,778</b>	108,983,662

- (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 RM332,929,991 (2022: RM400,093,084).
- (c) In the previous financial year, the Group had written down inventories RM259,663 to their net realisable value.
- (d) During the financial year, the Group has also reversed RM5,702,065 (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade receivables</b>				
Third parties	74,190,749	85,024,650	-	-
Related companies	1,737,150	58,405	-	-
	<b>75,927,899</b>	85,083,055	-	-
Less: Impairment losses				
- third parties	(1,255,000)	(1,083,000)	-	-
	<b>74,672,899</b>	84,000,055	-	-
<b>Other receivables</b>				
Third parties	541,631	507,916	-	-
Subsidiaries	-	-	13,661,151	24,002,309
Deposits	83,090	83,140	1,000	1,000
	<b>624,721</b>	591,056	<b>13,662,151</b>	24,003,309
<b>Total receivables</b>	<b>75,297,620</b>	84,591,111	<b>13,662,151</b>	24,003,309
Prepayments	235,000	788,668	-	-
	<b>75,532,620</b>	85,379,779	<b>13,662,151</b>	24,003,309

## Notes to The Financial Statements

31 December 2023

**8. TRADE AND OTHER RECEIVABLES (CONT'D)**

- (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 (2022: 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 (2022: 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (d) Amounts owing by subsidiaries in other receivables represent advances, which are unsecured and bears interest at rates ranging from 4.05% to 4.54% (2022: 3.35% to 4.60%) 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Ringgit Malaysia ("RM")	<b>75,297,620</b>	84,577,484	<b>13,662,151</b>	24,003,309
Singapore Dollar ("SGD")	-	13,627	-	-
	<b>75,297,620</b>	84,591,111	<b>13,662,151</b>	24,003,309

- (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.

## Notes to The Financial Statements

31 December 2023

### 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.

2023 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		Total RM
					More than 30 days past due	More than 60 days past due	
Expected loss rate (%)	1.02 - 1.10	1.52 - 1.65	3.05 - 3.30	12.18 - 13.2	30	100	
Gross carrying amount (RM)	62,787,893	9,053,410	2,393,744	560,504	1,104,752	27,596	75,927,899
Impairment loss allowance (RM)							
Lifetime ECL allowance	621,452	135,801	71,812	67,260	331,079	-	1,227,404
Specific allowance	-	-	-	-	-	27,596	27,596
Total	621,452	135,801	71,812	67,260	331,079	27,596	1,255,000
Net carrying amount (RM)	62,166,441	8,917,609	2,321,932	493,244	773,673	-	74,672,899

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

## Notes to The Financial Statements

31 December 2023

### 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. (Cont'd)

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



## Notes to The Financial Statements

31 December 2023

**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	
	2023 RM	2022 RM
Balance as at 1 January	1,083,000	1,225,743
Charge for the financial year	1,274,000	1,617,000
Reversal of impairment losses	<u>(1,102,000)</u>	<u>(1,759,743)</u>
Balance as at 31 December	<u>1,255,000</u>	<u>1,083,000</u>

- (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.

## Notes to The Financial Statements

31 December 2023

### 9. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances, representing cash and cash equivalents as reported in statements of cash flows	<u>25,511,685</u>	<u>50,675,401</u>	<u>6,576,869</u>	<u>20,216,090</u>

- (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			
	2023		2022	
	Number of shares	RM	Number of shares	RM
<b>Issued and fully paid ordinary share with no par value</b>				
Balance as at 1 January/ 31 December	<u>348,991,000</u>	<u>179,241,821</u>	<u>348,991,000</u>	<u>179,241,821</u>

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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable:</b>				
Revaluation reserve	<u>21,820,290</u>	22,633,887	-	-
Merger reserve	<u>(124,830,999)</u>	<u>(124,830,999)</u>	-	-
	<u>(103,010,709)</u>	(102,197,112)	-	-
<b>Distributable:</b>				
Retained earnings	<u>181,816,349</u>	181,816,955	<u>7,981,683</u>	9,434,344
	<u>78,805,640</u>	<u>79,619,843</u>	<u>7,981,683</u>	<u>9,434,344</u>

## Notes to The Financial Statements

31 December 2023

### 11. RESERVES (CONT'D)

(a) Revaluation reserve

Revaluation reserve of the Group represents revaluation surplus on leasehold land and building. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. 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 reserve 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

	2023 RM	Group 2022 RM
<b>Non-current liabilities</b>		
<b>Unsecured:</b>		
Term loans	<u>15,224,000</u>	<u>18,124,400</u>
<b>Current liabilities</b>		
<b>Secured:</b>		
Bankers' acceptances	6,066,000	11,368,000
<b>Unsecured:</b>		
Bankers' acceptances	16,141,000	34,649,000
Revolving credit	1,000,000	-
Term loans	<u>2,900,400</u>	<u>2,900,400</u>
	<u>20,041,400</u>	<u>37,549,400</u>
	<u>26,107,400</u>	<u>48,917,400</u>
<b>Total borrowings</b>		
Bankers' acceptances	22,207,000	46,017,000
Revolving credit	1,000,000	-
Term loans	<u>18,124,400</u>	<u>21,024,800</u>
	<u>41,331,400</u>	<u>67,041,800</u>

## Notes to The Financial Statements

31 December 2023

### 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:

	Group	
	2023 %	2022 %
Bankers' acceptances	<b>4.19 - 4.25</b>	3.40
Revolving credit	<b>5.10</b>	-
Term loans	<b>3.94 - 5.18</b>	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:

	Group	
	2023 RM	2022 RM
Term loan I, repayable in 120 instalments of RM166,700, commenced on 1 July 2022 and expiring on 1 June 2032	<b>16,999,400</b>	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	<b>1,125,000</b>	2,025,000
	<b>18,124,400</b>	21,024,800
Current liabilities		
- not later than one (1) year	<b>2,900,400</b>	2,900,400
Non-current liabilities		
- later than one (1) year and not later than five (5) years	<b>15,224,000</b>	18,124,400
	<b>18,124,400</b>	21,024,800

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

## Notes to The Financial Statements

31 December 2023

### 13. DEFERRED TAX

Deferred tax liabilities are made up of the following:

	Note	Group	
		2023 RM	2022 RM
Balance as at 1 January		<b>8,659,519</b>	9,289,975
Recognised in profit or loss	21	<u><b>1,147,299</b></u>	<u>(630,456)</u>
Balance as at 31 December		<u><b>9,806,818</b></u>	<u>8,659,519</u>

- (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.

- (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 2023	<b>6,742,454</b>	<b>7,147,543</b>	<b>(5,230,478)</b>	<b>8,659,519</b>
Recognised in profit or loss	<u><b>430,546</b></u>	<u><b>(256,925)</b></u>	<u><b>973,678</b></u>	<u><b>1,147,299</b></u>
Balance as at 31 December 2023	<u><b>7,173,000</b></u>	<u><b>6,890,618</b></u>	<u><b>(4,256,800)</b></u>	<u><b>9,806,818</b></u>
Balance as at 1 January 2022	6,515,588	7,400,031	(4,625,644)	9,289,975
Recognised in profit or loss	<u>226,866</u>	<u>(252,488)</u>	<u>(604,834)</u>	<u>(630,456)</u>
Balance as at 31 December 2022	<u>6,742,454</u>	<u>7,147,543</u>	<u>(5,230,478)</u>	<u>8,659,519</u>

## Notes to The Financial Statements

31 December 2023

### 14. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Trade payables</b>				
Third parties	20,536,383	30,873,545	-	-
<b>Other payables and accruals</b>				
Third parties	2,391,831	6,291,608	7,996	7,244
Accruals	2,737,418	3,262,346	367,299	333,000
	5,129,249	9,553,954	375,295	340,244
	25,665,632	40,427,499	375,295	340,244

- (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 (2022: 30 to 90 days) from date of invoice.
- (c) Trade and other payables are denominated in RM.
- (d) Information on financial risks of trade and other payables are disclosed in Note 28 to the financial statements.

### 15. DERIVATIVE LIABILITIES

	Group			
	2023	2022	2023	2022
	Contract/ Notional amount RM	Liabilities RM	Contract/ Notional amount RM	Liabilities RM
Forward currency contracts	10,316,602	(237,240)	9,052,421	(129,147)

- (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 2 months (2022: two (2) to four (4) 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 RM108,093 (2022: net loss of RM125,802) 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.

## Notes to The Financial Statements

31 December 2023

### 16. PROVISION FOR RETIREMENT BENEFITS

	2023 RM	Group 2022 RM
Balance as at 1 January	1,372,332	1,222,253
Expenses recognised in profit or loss	<u>162,453</u>	150,079
Balance as at 31 December	<u>1,534,785</u>	<u>1,372,332</u>
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	<u>1,534,785</u>	<u>1,372,332</u>

- (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.

- (b) The first actuarial valuation was carried out in the financial year of 2021. The principal actuarial assumptions at the end of the reporting period (expressed as weighted average) are as follows:

	2023 %	Group 2022 %
Discount rate	4.20	4.20
Salary increment rate	<u>6.00</u>	<u>6.00</u>

- (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:

	2023 RM	Group 2022 RM
Discount rate increase by 1% (2022: 1%)	(55,624)	(65,953)
Discount rate decrease by 1% (2022: 1%)	60,515	60,641
Salary increments rate increase by 1% (2022: 1%)	52,176	44,463
Salary increments rate decrease by 1% (2022: 1%)	<u>(47,590)</u>	<u>(40,659)</u>

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.

## Notes to The Financial Statements

31 December 2023

### 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 2023 and 2022. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers</b>				
Sales of goods	<b>362,450,321</b>	434,302,607	-	-
<b>Other revenue:</b>				
Dividend income				
- Unquoted subsidiaries	-	-	<b>5,000,000</b>	5,000,000
	<b>362,450,321</b>	434,302,607	<b>5,000,000</b>	5,000,000

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

- (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.



## Notes to The Financial Statements

31 December 2023

### 19. PROFIT BEFORE TAX

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>After charging:</b>				
Auditors' remuneration				
- Statutory fee	<b>100,000</b>	88,000	<b>23,000</b>	20,000
- Non-statutory fees	<b>4,000</b>	4,000	<b>4,000</b>	4,000
Interest expenses on:				
- Bank overdrafts and other interests	<b>38,240</b>	6,695	-	-
- Bankers' acceptances	<b>1,669,827</b>	2,490,945	-	-
- Lease liabilities	<b>34,796</b>	24,397	-	-
- Revolving credits	<b>49,874</b>	22,606	-	-
- Term loans	<b>830,733</b>	447,828	-	-
Written off of property, plant and equipment	<b>97,342</b>	-	-	-
<b>And crediting:</b>				
Interest income from deposits with financial institutions*	<b>671,675</b>	574,272	<b>446,688</b>	364,221
Interest income from amount owing from subsidiaries	-	-	<b>773,794</b>	987,955
Realised gain on foreign exchange	<b>119,320</b>	195,490	-	-
Gain on termination of leases	<b>257</b>	-	-	-
Gain on disposal of property, plant and equipment	<b>103,476</b>	-	-	-
Unrealised gain on foreign exchange	-	23	-	-

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Impairment losses on trade receivables	<b>1,274,000</b>	1,617,000	-	-
Reversal of impairment losses on trade receivables	<b>(1,102,000)</b>	(1,759,743)	-	-
Net loss/(gain) on impairment of financial asset	<b>172,000</b>	(142,743)	-	-

## Notes to The Financial Statements

31 December 2023

### 20. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries and bonuses	<b>16,635,143</b>	13,988,168	<b>374,300</b>	343,000
Contribution to defined contribution plan	<b>1,445,596</b>	1,190,797	-	-
Defined benefit plan	<b>162,453</b>	150,079	-	-
Other benefits	<b>1,402,934</b>	1,319,739	-	-
	<b><u>19,646,126</u></b>	<u>16,648,783</u>	<b><u>374,300</u></b>	<u>343,000</u>

Included in employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,600,901 and RM374,300 respectively (2022: RM2,653,979 and RM343,000) as disclosed in Note 24(c) to the financial statements.

### 21. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense based on profit for the financial year:				
- Income tax	<b>2,169,800</b>	4,866,081	<b>122,800</b>	236,407
- (Over)/under-provision in prior years	<b>(191,987)</b>	(52,649)	<b>12,231</b>	(3,211)
	<b>1,977,813</b>	4,813,432	<b>135,031</b>	233,196
Deferred tax (Note 13)				
- Relating to origination and reversal of temporary differences	<b>875,332</b>	163,798	-	-
- Relating to revaluation reserve	<b>(256,925)</b>	(252,488)	-	-
- Under/(over)-provision in prior years	<b>528,892</b>	(541,766)	-	-
	<b>1,147,299</b>	(630,456)	-	-
	<b><u>3,125,112</u></b>	<u>4,182,976</u>	<b><u>135,031</u></b>	<u>233,196</u>

- (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% (2022: 24%) of the estimated taxable profit for the fiscal year.

## Notes to The Financial Statements

31 December 2023

**21. TAX EXPENSE (CONT'D)**

- (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	<b>9,290,729</b>	17,307,733	<b>5,662,190</b>	5,737,550
Tax at Malaysian statutory tax rate at 24% (2022: 24%)	<b>2,229,775</b>	4,153,856	<b>1,358,926</b>	1,377,012
Tax effects in respect of:				
- Non-allowable expenses	<b>967,043</b>	1,001,381	<b>70,633</b>	147,510
- Non-taxable income	<b>(151,686)</b>	(125,358)	<b>(1,306,759)</b>	(1,288,115)
- Deferred tax on revaluation reserve	<b>(256,925)</b>	(252,488)	-	-
	<b>2,788,207</b>	4,777,391	<b>122,800</b>	236,407
(Over)/under provision of tax expense in prior years	<b>(191,987)</b>	(52,649)	<b>12,231</b>	(3,211)
Under/(over) provision of deferred tax in prior years	<b>528,892</b>	(541,766)	-	-
	<b>3,125,112</b>	4,182,976	<b>135,031</b>	233,196

**22. EARNINGS PER SHARE**

	Group	
	2023	2022
Profit for the financial year attributable to owners of the parent (RM)	<b>6,165,617</b>	13,124,757
Weighted average number of ordinary shares in issue (unit)	<b>348,991,000</b>	348,991,000
Basic earnings per ordinary share for the profit for the financial year (sen)	<b>1.77</b>	3.76

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.

## Notes to The Financial Statements

31 December 2023

### 23. DIVIDENDS

	Group and Company			
	2023		2022	
	Dividend per share sen	Amount of dividend RM	Dividend per share sen	Amount of dividend RM
<i>In respect of financial year ended 31 December 2021</i>				
Single-tier final dividend declared on 8 June 2022 and paid on 15 July 2022	-	-	3.0	10,469,730
<i>In respect of financial year ended 31 December 2022</i>				
Single-tier final dividend declared on 8 June 2023 and paid on 14 July 2023	<b>2.0</b>	<b>6,979,820</b>	-	-
	<b>2.0</b>	<b>6,979,820</b>	3.0	10,469,730

At the forthcoming Annual General Meeting, a final single tier dividend of 1.5 sen per ordinary share amounting RM5,234,865 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 2024.

### 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 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.

## Notes to The Financial Statements

31 December 2023

### 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:

	2023 RM	2022 RM
<b>Group</b>		
<b>Transactions with corporate shareholders</b>		
<i>Prestar Resources Berhad</i> Dividend paid	<b>2,373,132</b>	3,559,699
<i>Formula Naga Sdn. Bhd.</i> Dividend paid	<b>2,192,328</b>	3,465,491
<b>Transactions with subsidiaries of PRB</b>		
<i>Prestar Storage System Sdn. Bhd.</i> Sales of goods	<b>(1,237,827)</b>	(96,584)
<i>Dai Dong Steel Sdn. Bhd.</i> Sales of goods	<b>(227,972)</b>	(27,355)
<i>Prestar Marketing Sdn. Bhd.</i> Purchase of goods	<b>1,764</b>	1,000
<i>Prestar Galvanising Sdn. Bhd.</i> Purchase of goods	-	13,750
<i>Prestar Engineering Sdn Bhd</i> Sales of goods	<b>(18,168)</b>	-
<i>Prestar Precision Tube Sdn Bhd</i> Sales of goods	<b>(102,631)</b>	-
<b>Transaction with a company in which a Director of the Company has substantial financial interest</b>		
<i>Litat Hardware Sdn. Bhd.</i> Sales of goods	<b>(3,442,867)</b>	(4,072,958)
<b>Company</b>		
<b>Transactions with subsidiaries</b>		
<i>Tashin Steel Sdn. Bhd.</i> Dividend income	<b>(5,000,000)</b>	(5,000,000)
Interest income	-	(236,956)
<i>Tashin Hardware Sdn. Bhd</i> Interest income	<b>(773,794)</b>	(750,999)

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 2023 is disclosed in Notes 8 to the financial statements.

## Notes to The Financial Statements

31 December 2023

### 24. RELATED PARTIES DISCLOSURES (CONT'D)

(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	
	2023 RM	2022 RM	2023 RM	2022 RM
Director fees	434,300	391,000	344,300	313,000
Emoluments other than fees	2,118,371	2,203,026	30,000	30,000
Defined benefit plan	48,230	59,953	-	-
	<u>2,600,901</u>	<u>2,653,979</u>	<u>374,300</u>	<u>343,000</u>

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Short term employee benefits	1,599,728	1,241,241	-	-
Contribution to defined contribution plan	200,040	145,824	-	-
Defined benefit plan	27,241	10,302	-	-
	<u>1,827,009</u>	<u>1,397,367</u>	<u>-</u>	<u>-</u>

The estimated monetary value of benefit-in-kind received by key management personnel of the Group amounted to RM36,833 (2022: RM77,717).

### 25. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
- Approved but not contracted for	48,038	1,105,000
- Contracted but not provided for	-	511,415
	<u>48,038</u>	<u>1,616,415</u>

### 26. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2023 RM	2022 RM
<b>Unsecured</b>		
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries:		
- Limit of guarantee	181,070,000	181,070,000
- Amount utilised	<u>79,496,336</u>	<u>91,648,192</u>

Information on financial risks of financial guarantee contracts are disclosed in Note 28 to the financial statements.

## Notes to The Financial Statements

31 December 2023

### 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 2023 and 31 December 2022.

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.

		Group	
	Note	2023 RM	2022 RM
Borrowings	12	41,331,400	67,041,800
Lease liabilities	5	685,335	1,015,107
		<u>42,016,735</u>	<u>68,056,907</u>
Total equity		<u>258,047,461</u>	<u>258,861,664</u>
Gearing ratio (times)		<u>0.16</u>	<u>0.26</u>

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 2023.

#### (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.

## Notes to The Financial Statements

31 December 2023

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

(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	
<b>2023</b>					
<b>Financial liability at fair value through profit or loss</b>					
- Forward currency contracts	-	<b>237,240</b>	-	<b>237,240</b>	<b>237,240</b>
<b>2022</b>					
<b>Financial liability at fair value through profit or loss</b>					
- Forward currency contracts	-	129,147	-	129,147	129,147

### 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 2023 (2022: RM75,000,000) to minimise the credit risk. Trade receivables are monitored on an ongoing basis through the management reporting procedures of the Group.



## Notes to The Financial Statements

31 December 2023

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

(a) Credit risk (Cont'd)

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 RM 13,661,151 (2022: RM24,002,309), which represents 99% (2022: 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.

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- (i) the amount of the loss allowance; and
- (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

As at 31 December 2023, the fair value of and expected credit loss of the financial guarantees have been assessed as negligible.

(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.

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:

2023	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>				
<b>Financial liabilities</b>				
Borrowings	27,181,280	10,101,029	7,520,114	44,802,423
Lease liabilities	415,076	298,517	-	713,593
Trade and other payables	25,665,632	-	-	25,665,632
Total undiscounted financial liabilities	<b>53,261,988</b>	<b>10,399,546</b>	<b>7,520,114</b>	<b>71,181,648</b>

## Notes to The Financial Statements

31 December 2023

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

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

2023	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Company</b>				
<b>Financial liabilities</b>				
Financial guarantee contracts	79,496,336	-	-	79,496,336
Trade and other payables	375,295	-	-	375,295
Total undiscounted financial liabilities	79,871,631	-	-	79,871,631

2022	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>				
<b>Financial liabilities</b>				
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

2022	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Company</b>				
<b>Financial liabilities</b>				
Financial guarantee contracts	91,648,192	-	-	91,648,192
Trade and other payables	340,244	-	-	340,244
Total undiscounted financial liabilities	91,988,436	-	-	91,988,436

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 borrow for operations at fixed and variable rates using term loans, trade financing facilities and lease liabilities. There is no formal hedging policy with respect to interest rate exposure.

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.

## Notes to The Financial Statements

31 December 2023

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

(c) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of the each reporting period changed by 100 basis points with all other variables held constant:

	2023	2022
	Profit after tax	
	RM	RM
<b>Group</b>		
<b>Floating rates</b>		
Increase by 1% (2022: 1%)	(145,345)	(159,788)
Decrease by 1% (2022: 1%)	<u>145,345</u>	<u>159,788</u>
<b>Company</b>		
<b>Floating rates</b>		
Increase by 1% (2022: 1%)	65,588	181,845
Decrease by 1% (2022: 1%)	<u>(65,588)</u>	<u>(181,845)</u>

## Notes to The Financial Statements

31 December 2023

### 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:

	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
<b>2023</b>								
<b>Group</b>								
<b>Fixed rates</b>								
Lease liabilities	3.92 - 4.19	395,385	224,359	35,979	21,709	7,903	-	685,335
Bankers' acceptances	4.19 - 4.25	22,207,000	-	-	-	-	-	22,207,000
<b>Floating rates</b>								
Term loans	3.94 - 5.18	2,900,400	2,225,400	2,000,400	2,000,400	2,000,400	6,997,400	18,124,400
Revolving credit	5.10	1,000,000	-	-	-	-	-	1,000,000
<b>Company</b>								
<b>Floating rates</b>								
Amount owing by a subsidiary	4.05 - 4.54	8,630,000	-	-	-	-	-	8,630,000
<b>2022</b>								
<b>Group</b>								
<b>Fixed rates</b>								
Lease liabilities	3.92 - 4.19	391,956	362,550	205,461	29,085	26,055	-	1,015,107
Bankers' acceptances	3.40	46,017,000	-	-	-	-	-	46,017,000
<b>Floating rates</b>								
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
<b>Company</b>								
<b>Floating rates</b>								
Amount owing by a subsidiary	3.35 - 4.60	23,927,000	-	-	-	-	-	23,927,000

## Notes to The Financial Statements

31 December 2023

### 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
<b>2023</b>				
Forward contracts used to hedge trade payables	USD	2,192,309	10,316,602	Two (2) months
<b>2022</b>				
Forward contracts used to hedge trade payables	USD	2,021,245	9,052,421	Two (2) to four (4) 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>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 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

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

## Notes to The Financial Statements

31 December 2023

### 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 2024

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
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 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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.

## List of Properties

No.	Name of registered owner/address	Description	Built-up (sq. feet)	Tenure	Carrying amount as at 31 December 2023 (RM'000)	Date of Acquisition/Revaluation
1	Tashin Steel Sdn. Bhd. Plot 40, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Prai, Pulau Pinang	Office cum manufacturing site	152,835	60 years leasehold expiring on 2052 (remaining tenure of 28 years) Age of Building: 25 Years	25,713	31-October-2021
2	Tashin Steel Sdn. Bhd. Plot 39, Lorong Perusahaan Maju 7, Kawasan Perusahaan 4, 13600 Prai, Pulau Pinang	Manufacturing site	132,552	60 years leasehold expiring on 2052 (remaining tenure of 28 years) Age of Building: 14 Years	23,101	31-October-2021
3	Tashin Hardware Sdn. Bhd. No 1617, Lorong Perusahaan Maju 6, Kawasan Perusahaan 4, 13600 Prai, Pulau Pinang	Office cum manufacturing site	330,189	30 years leasehold expiring on 2052 (remaining tenure of 28 years) Age of Building: 26 Years	43,540	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 68 years) Age of Building: 27 Years	40	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 68 years) Age of Building: 27 Years	55	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 68 years) Age of Building: 27 Years	67	17-May-2022

## Statistics of Shareholdings

As at 1 April 2024

Total number of issued shares	:	348,991,000 Ordinary Shares
Class of shares	:	Ordinary shares
Number of shareholders	:	2,899
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	0.07	2	0.00
100 – 1,000	454	15.66	208,100	0.06
1,001 – 10,000	1,390	47.95	8,068,300	2.31
10,001 – 100,000	881	30.39	28,892,900	8.28
100,001 – 17,449,549 (*)	170	5.86	85,648,700	24.54
17,449,550 and above (**)	2	0.07	226,172,998	64.81
<b>Total</b>	<b>2,899</b>	<b>100.00</b>	<b>348,991,000</b>	<b>100.00</b>

Remarks:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

### SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial shareholders	Direct	No. of shares held		
		%	Indirect	%
Prestar Resources Berhad	118,656,619	34.00	-	-
Formula Naga Sdn. Bhd.	107,516,379	30.81	-	-
Dato' Toh Yew Peng	1,000,000	0.29	<sup>(1)</sup> 125,183,619	35.87
Toh Yew Keat	0	0.00	<sup>(1)</sup> 125,183,619	35.87
Fabulous Essence Sdn. Bhd.	4,690,000	1.34	<sup>(2)</sup> 118,656,619	34.00
Y.K. Toh Property Sdn. Bhd.	1,837,000	0.53	<sup>(2)</sup> 118,656,619	34.00
Lim Choon Teik	4,000,000	1.15	<sup>(3)</sup> 107,516,379	30.81
Lee Meng Yim	3,570,000	1.02	<sup>(3)</sup> 107,516,379	30.81

Note:

<sup>(1)</sup> 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.

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

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



## Statistics of Shareholdings

As at 1 April 2024

### 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	0	0.00
Lim Choon Teik	Malaysian	4,000,000	1.15	<sup>(1)</sup> 107,516,379	30.81
Foong Kok Chuin	Malaysian	2,195,000	0.63	0	0.00
Sim Puei Chun	Malaysian	120,000	0.03	0	0.00
Khaw Chooi Kee	Malaysian	100,000	0.03	0	0.00
Rusdy Bin Ishak	Malaysian	70,000	0.02	0	0.00
Ir. Tan Tiong Ben	Malaysian	0	0.00	0	0.00
Dato' Toh Yew Peng	Malaysian	1,000,000	0.29	<sup>(2)</sup> 125,183,619	35.87
Toh Yew Seng	Malaysian	550,000	0.16	0	0.00
Koay Kah Ee	Malaysian	400,000	0.11	0	0.00

Note:

<sup>(1)</sup> Deemed interested by virtue of Section 8(4) of the Companies Act 2016 in Formula Naga Sdn. Bhd.

<sup>(2)</sup> 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.	107,516,379	30.81
3.	FABULOUS ESSENCE SDN. BHD.	4,476,000	1.28
4.	LEE MENG YIM	3,570,000	1.02
5.	LIM CHOON TEIK	3,450,000	0.99
6.	HIGHSKALE CAPITAL SDN. BHD.	3,275,800	0.94
7.	OOI ENG HOCK	2,100,000	0.60
8.	FOONG KOK CHUIN	2,050,000	0.59
9.	TEH GEIK SIM	1,984,200	0.57
10.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. (PLEGDED SECURITIES ACCOUNT FOR WONG LEY BENG)	1,699,000	0.49
11.	M & A NOMINEE (TEMPATAN) SDN. BHD. (PLEGDED SECURITIES ACCOUNT FOR TEH GEIK SIM)	1,600,000	0.46
12.	LEE YUE HAN	1,548,600	0.44
13.	OOI SOO KWANG	1,544,100	0.44
14.	TAN KENG HOR	1,450,000	0.42
15.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. (PLEGDED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN. BHD.)	1,440,000	0.41
16.	KHOR KENG SAW @ KHAW AH SOAY	1,369,500	0.39
17.	GOO KONG HUA	1,332,200	0.38
18.	TEOH CHA HAI	1,276,600	0.37

## Statistics of Shareholdings

As at 1 April 2024

No.	Shareholders	No. of shares held	Percentage (%)
19.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON)	1,264,900	0.36
20.	TAN AIK CHOON	1,252,200	0.36
21.	CHIN WAI KEONG	1,140,000	0.33
22.	Y. K. TOH PROPERTY SDN. BHD.	1,119,000	0.32
23.	LIM LEE TEANG	1,068,000	0.31
24.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR DATO' TOH YEW PENG)	1,000,000	0.29
25.	TANG MENG KEAN	1,000,000	0.29
26.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR MOKHTAR BIN MD ISA)	989,100	0.28
27.	CHEONG YOU CHIN	872,700	0.25
28.	WONG SWEE MEY	858,800	0.25
29.	TEH LI JUN	834,100	0.24
30.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. (PLEDGED SECURITIES ACCOUNT FOR EYO SZE GUAN)	778,100	0.22

This page is intentionally left blank

**Form of  
 Proxy**

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

\*I/We, .....  
 (FULL NAME IN BLOCK CAPITALS)

NRIC/Passport No./Registration No./Company No. .... 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 Seventh 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, 6 June 2024 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 cast. 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 1.5 sen per ordinary share for the financial year ended 31 December 2023.	1		
2.	To approve the payment of Directors' fees amounting to RM344,300.00 for the financial year ended 31 December 2023.	2		
3.	To approve an amount of up to RM40,000.00 as benefits payable to the Directors from 7 June 2024 until the next Annual General Meeting of the Company to be held in year 2025.	3		
4(a).	To re-elect Dato' Toh Yew Peng who retires pursuant to Clause 165 of the Company's Constitution.	4		
4(b).	To re-elect Mr. Toh Yew Seng who retires pursuant to Clause 165 of the Company's Constitution.	5		
4(c).	To re-elect Mr. Koay Kah Ee who retires pursuant to Clause 165 of the Company's Constitution.	6		
4(d).	To re-elect Mr. Foong Kok Chuin who retires pursuant to Clause 165 of the Company's Constitution.	7		
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.	8		
	<b>As Special Business:</b>			
6(a).	Ordinary Resolution 1 - Authority to issue and allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.	9		
6(b).	Ordinary Resolution 2 - Proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature.	10		

\* Strike out whichever is not applicable.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
 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 30 May 2024 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 7th 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 7th 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](mailto:eservices@sshb.com.my) during the Meeting. The questions and/or remarks submitted by the shareholders, proxies and/or corporate representatives will be broadcast 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 who 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 the Securities Services e-Portal at <https://www.sshb.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 wish 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 7th 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 the Securities Services e-Portal at <https://www.sshb.net.my/> by the registration cut-off date and time. Please refer to the Administrative Guide for the 7th AGM for further details.

The Administrative Guide for the 7th AGM is available for download at [www.tashin.com.my](http://www.tashin.com.my).

Fold Here

---

STAMP

The Company Secretaries  
**Tashin Holdings Berhad**  
201701028709 (1242878-H)  
Level 7, Menara Milenium,  
Jalan Damanlela, Pusat Bandar Damansara,  
Damansara Heights, 50490 Kuala Lumpur,  
Wilayah Persekutuan

Fold Here

---



## **TASHIN HOLDINGS BERHAD**

201701028709 (1242878-H)

Plot 40, Lorong Perusahaan Maju 7,  
Kawasan Perusahaan 4,  
13600 Prai, Penang, Malaysia.

T | 604 509 0888

F | 604 5077 100 / 604 5088 100 / 604 5079 100

[www.tashin.com.my](http://www.tashin.com.my)