Trans-Asia Shipping Corporation Berhad
Annual Report 2007

TASCO

Leveraging our international network covering sea, earth and air to become the world's leading global logistics enterprise

TASCO

Trans-Asia Shipping Corporation Berhad

Our Vision

To be the leading logistics enterprise, distinguished by the quality of our services.

Our Mission

To deliver measurable benefits to customers by providing world-class logistics solutions built on:

- Dedication to customers and their businesses;
- An outstanding quality, operational excellence and advanced information management;
- A superior global network that integrates diverse assets and expertise;
- A flexible, agile and innovative organization;
- A highly trained and professional workforce.

Our Values

A set of previous unwritten principles that have been a part of our culture for over thirty (30) years – the corporate spirit that we have come to cherish over these decades – codifying strengths that have made us what we are today and will keep us a truly global company filled with talented individuals who remain dedicated to our customers. We call these principles Our Values:

誠意	Integrity	:	Be respectful and considerate to our customers and colleagues. Stay warm, cordial courteous and caring;
創意	Innovation	:	Continually think of new ideas for improvement, even when conditions appear satisfactory. Remain open to betterment;
熱意	Intensity	:	Carry through with and accomplish our tasks. Never give up. Overcome challenges. Remain motivated.

Cautionary statement with regard to forward-looking statements

Certain of the statements made in the Annual Report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place under reliance on these forward-looking statements, which are valid only as of the date thereof. Trans-Asia Shipping Corporation Berhad (TASCO) undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date thereof or to reflect the occurrence of unanticipated events.

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Kolin
Prague
Budapest
Muenchen
Moscow
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Bremen
Duisburg
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Antwerp
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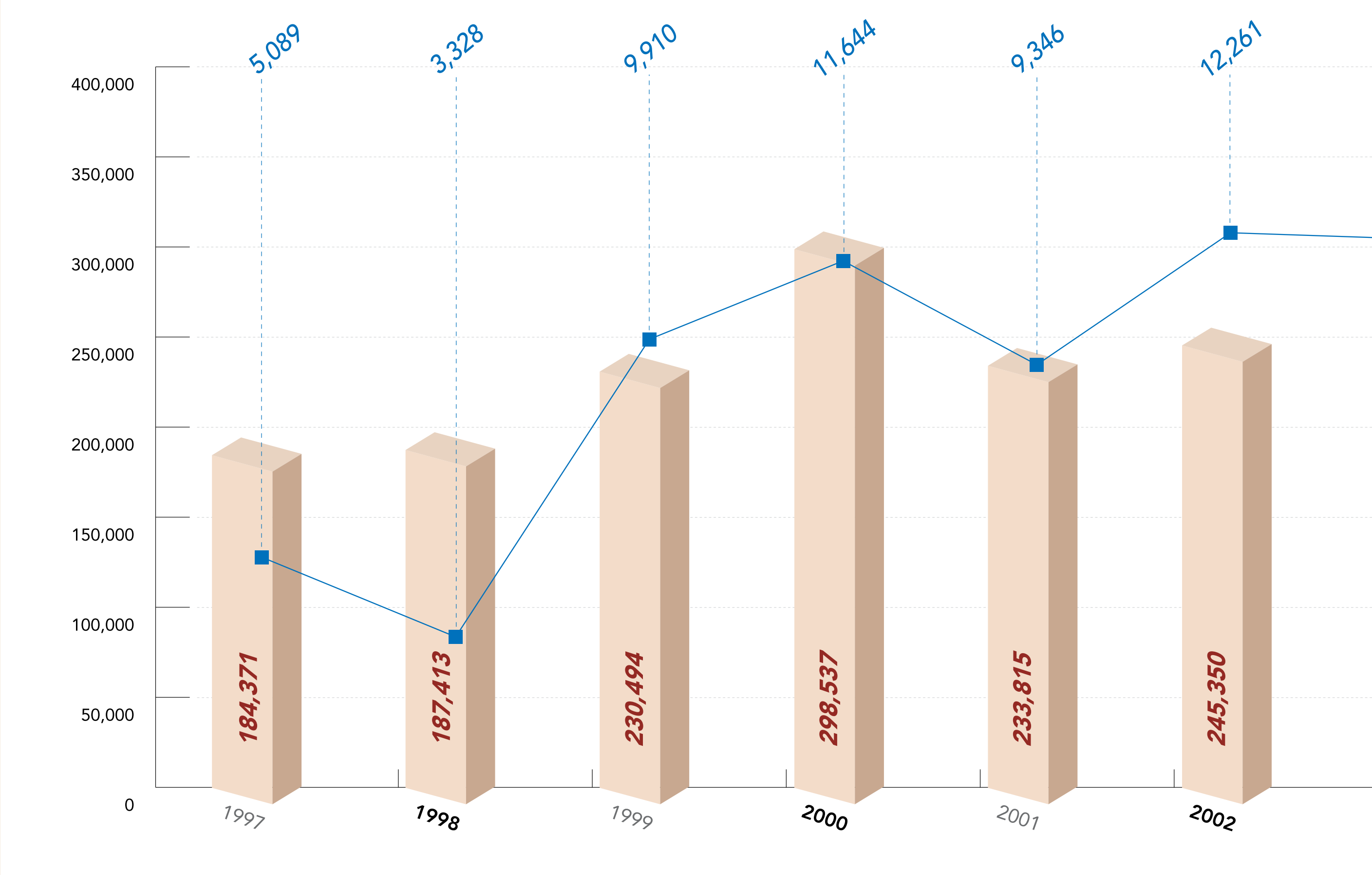
Jakarta
Semarang
Surabaya
Cairns
Perth
Fremantle
Adelaide
Melbourne
Sydney
Newcastle
Brisbane

TASCO GLOBAL NETWORK SERVICES

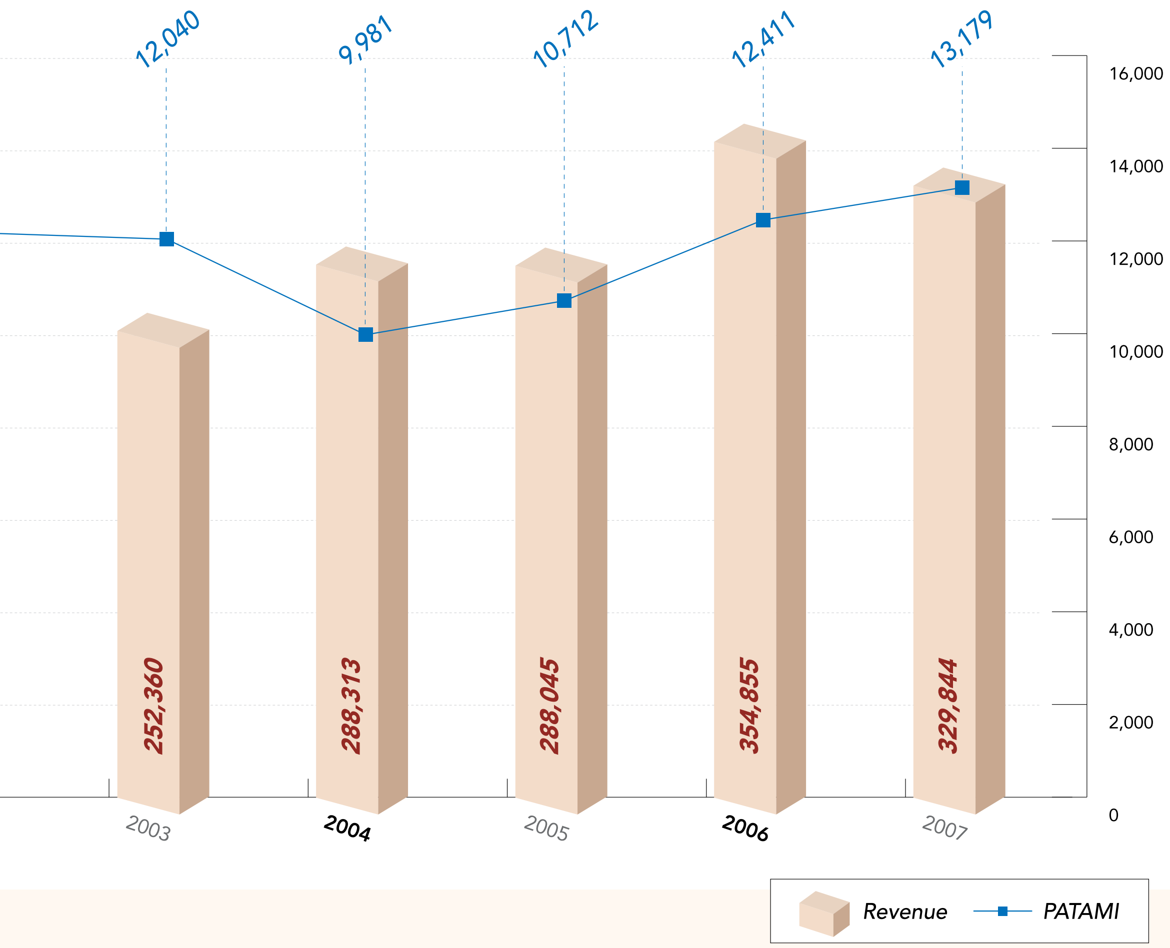
TEN-YEAR FINANCIAL HIGHLIGHTS



TEN –YEAR FINANCIAL RATIOS

(Years Ended 31 December)	1997	1998	1999	2000
Number of shares in issue ('000)	5,000	5,000	5,000	5,000
Revenue (RM '000)	184,371	187,413	230,494	298,537
PBTAMI[1] (RM '000)	8,239	4,276	11,017	16,835
PATAMI[2] (RM '000)	5,089	3,328	9,910	11,644
Earnings per Share[3] (RM)	0.05	0.03	0.10	0.12
Shareholder Fund (RM '000)	28,212	31,540	41,451	53,095
Shareholder Fund per Share[3] (RM)	0.28	0.32	0.41	0.53
Cash and Bank Balances (RM '000)	10,246	9,688	7,620	12,934
Current Ratio (Times)	1.20	1.18	1.27	1.38
Total Borrowings (RM '000)	7,181	6,924	7,918	9,733
Gearing Ratio (%)	25%	22%	19%	18%

1. Profit before taxation after minority interest
2. Profit after taxation after minority interest
3. Calculated based on the total issue and fully paid up capital of 100,000,000 shares.



2001	2002	2003	2004	2005	2006	2007
5,000	5,000	5,000	5,000	45,000	45,000	100,000
233,815	245,350	252,360	288,313	288,045	354,855	329,844
13,464	17,556	17,035	14,485	14,579	16,953	18,334
9,346	12,261	12,040	9,981	10,712	12,411	13,179
0.09	0.12	0.12	0.10	0.11	0.12	0.13
62,441	74,892	86,932	96,000	106,759	119,181	158,982
0.62	0.75	0.87	0.96	1.07	1.20	1.59
17,593	17,589	17,710	27,211	27,206	36,812	62,187
1.86	2.11	2.00	2.43	2.32	2.30	2.91
3,058	1,616	5,029	6,483	12,022	9,699	6,951
5%	2%	6%	7%	11%	8%	4%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Asmat Bin Kamaludin
(Non-Executive Chairman)

Lee Check Poh
(Group Managing Director)

Ahmad Bin Ismail
(Executive Director)

Tan Hock Huat
(Executive Director)

Hidenobu Owaki
(Executive Director)

Kimio Maki
(Executive Director)

Raymond Cha Kar Siang
(Independent Non-Executive Director)

Kwong Hoi Meng
(Independent Non-Executive Director)

Raippan s/o Yagappan @ Raiappan Peter
(Independent Non-Executive Director)

COMPANY SECRETARIES

Ms Seow Fei San
Ms Loh Lai Ling

REGISTERED OFFICE

312, 3rd Floor
Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-78031126
Fax : 03-78061387

REGISTRARS

Securities Services (Holdings) Sdn Bhd
Level 7 Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel : 03-20849000
Fax : 03-20949940

AUDITOR

Moores Rowland
Chartered Accountants
Wisma Selangor Dredging
7th Floor, South Block
142-A Jalan Ampang
50450 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
HSBC Bank Malaysia Berhad

AUDIT COMMITTEE

Kwong Hoi Meng
Chairman
(Independent Non-Executive Director)

Raymond Cha Kar Siang
Member
(Independent Non-Executive Director)

Raippan s/o Yagappan @ Raiappan Peter
(appointed on 7 May 2008)
Member
(Independent Non-Executive Director)

Lee Check Poh
(resigned on 7 May 2008)
Member
(Group Managing Director)

STOCK EXCHANGE

Main Board
Bursa Malaysia Securities Berhad
Stock Code : 5140

BOARD OF DIRECTORS

(i) There was no board meeting held from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Company had subsequently convened board meetings on 20 February 2008 and 16 April 2008 and all nine (9) Directors were present in both meetings.

(ii) All nine (9) Directors have attended the Mandatory Accreditation Programme according to the Listing Requirements of Bursa Malaysia Securities Berhad.

(iii) No Director has any family relationships with any other Directors and/or major shareholders of the Company.

(iv) Other than the related party transactions disclosed in the Annual Report, no Director has any conflict of interest with the Company.

(v) No Director has been convicted of any offences within the past ten (10) years other than traffic offences, if any.

Tan Sri Asmat Bin Kamaludin

Non-Independent Non-Executive Chairman
Aged 64, Malaysian

Tan Sri Asmat Bin Kamaludin was appointed as the Chairman to the Board on 1 January 2005. He currently sits on the Board of Directors of UMW Holdings Berhad (Chairman), Panasonic Manufacturing Malaysia Berhad (Chairman), Symphony House Berhad (Chairman), ScomiGroup Berhad (Chairman), Compugates Holdings Berhad (Chairman), YTL Cement Berhad (Vice Chairman), Malaysian Pacific Industries Berhad (Director), Carlsberg Brewery Malaysia Berhad (Director), Lion Industries Corporation Berhad (Director) and Pemodalan Nasional Berhad (Director). All of the stated companies are listed on Bursa Malaysia Securities Berhad except Pemodalan Nasional Berhad.

Tan Sri Asmat Bin Kamaludin holds a Bachelor of Arts in Economics from the University of Malaya and a Diploma in European Economic Integration from the University of Amsterdam. He has had a distinguished career with the Ministry of Trade and Industry (now known as Ministry of International Trade and Industry or MITI) as an Assistant Director in 1966 and rose to become the Secretary General in 1992, a position he held until 2001.

Tan Sri Asmat Bin Kamaludin has served as the Economic Counsellor for Malaysia in Brussels and has worked with several international bodies such as the Association of South East Asian Nations (ASEAN), the World Trade Organisation (WTO) and the Asia-Pacific Economic Cooperation (APEC), representing Malaysia in relevant negotiations and agreements.

Tan Sri Asmat Bin Kamaludin had also been actively involved in several national organizations such as Johor Corporation, the Small and Medium Scale Industries Development Corporation (SMIDEC) and the Malaysian External Trade Development Corporation (MATRADE) while he was in the Malaysian government service.

Lee Check Poh

Non-Independent Group Managing Director
Aged 59, Malaysian

Lee Check Poh was appointed to the Board on 24 April 1989. He became the Group Managing Director in 1998 and is currently a member of the Remuneration Committee.

Lee Check Poh is a graduate from Hosei University with a Bachelor of Arts (Economics). He also holds a Master Degree of Arts (Economics) from Lakehead University of Canada. He joined the Group in 1977 as an Executive and was promoted Manager in 1979. He was later promoted as a General Manager in 1980, a position he held until 1989 when he was appointed as the Deputy Managing Director. In the same year, he was also appointed as the Executive Director of Sony Logistics (M) Sdn Bhd which is currently known as Sony Supply Chain Solutions (M) Sdn Bhd. He was later promoted as our Group Managing Director in 1998 and also as the Managing Director of Sony Supply Chain Solutions (M) Sdn Bhd in 1999. He eventually retired from the post at Sony Supply Chain Solutions (M) Sdn Bhd in 2004.

Lee Check Poh has more than thirty (30) years of experience in the logistics service industry in Malaysia. He is actively involved in the development of innovative logistics operations to achieve supply chain optimization. Over the years, he has established a strong relationship and credibility with the customers and suppliers, senior government officers as well as our global partners, Nippon Yusen Kabushiki Kaisha and Yusen Air & Sea Service Co Ltd. He has led the Group from a small company performing customs broking services to a total logistics solutions provider, which covers air, sea and land transportation. He is also actively involved in various key aspects of the Group's management areas such as business planning, marketing and finance to name a few. He also travels extensively to keep abreast on the latest developments in the logistics industry and to assess new market prospects for the Group.

Ahmad Bin Ismail

Non-Independent Executive Director
Aged 56, Malaysian

Ahmad Bin Ismail was appointed to the Board on 28 March 2007.

Ahmad Bin Ismail has been with the Group for more than twenty (20) years. After having worked with the Penang Port Commission for fourteen (14) years, he joined the Group in early 1985 as an Executive in Penang and became a General Manager in 2000. During his service with the Group, he was assigned to head our branches in Selangor and Johor, namely Port Klang and Pasir Gudang respectively. In 2001, he was assigned to the Corporate Head Office to lead the general affairs and human resource management of Corporate Affairs & Support Division. He was later appointed as a Corporate Executive Director in 2007 and is currently the Director in charge of our Support Division, which is responsible for general administrative and licensing.

Tan Hock Huat

Non-Independent Executive Director
Aged 58, Malaysian

Tan Hock Huat was appointed to the Board on 30 October 2007.

Tan Hock Huat has had ten (10) years of port experience with Lembaga Pelabuhan Kelang when he joined the Group in 1982 as a Marketing Executive. He gradually worked his way to be a General Manager in 1999, and was appointed the Alternate Director to Mr Yuji Hirano in 2000. He ceased to be the Alternate Director in 2001 and was subsequently appointed as a Corporate Executive Director in 2002.

Throughout his career with the Group, he has been assigned to various branches and business divisions. He has had over twenty five (25) years of experience with the Group and gained invaluable knowledge in project management, air cargo business, land transportation including cross border trucking business, total logistics solutions, sales and business development. He is currently responsible for the overall performance of our Forwarding Division and Trucking Division.

Hidenobu Owaki

Non-Independent Executive Director
Aged 51, Japanese

Hidenobu Owaki was appointed to the Board on 30 October 2007. He serves as the authorised Corporate Representative of Yusen Air & Service Co Ltd (YAS).

Hidenobu Owaki is a graduate from Aichi Prefectural University, Japan with a Bachelor Degree (Foreign Studies). He started his career in the air cargo industry with YAS, Nagoya branch in 1980 as an Executive in the Sales and Marketing Department. He gained invaluable knowledge and experience in the air cargo business while working there. In 1991, he was assigned his first foreign appointment in the United States of America (USA) as the Manager of Yusen Air & Sea Service (USA) Inc, New York branch and from 1995, worked in the Headquarters Office of the same company in New York. His assignment in the USA continued until 1997 when he returned to Japan to be the Manager of YAS, Hamamatsu branch. In 2001, he was put in charge of Yusen Air & Sea Service (Shinsu) Co Ltd and worked in Shinsu Headquarters Office. He was later promoted to General Manager in 2003 and was posted to the Nagano office of the same company. In 2005, he was seconded to join the Group as a Corporate Executive Director. He is currently responsible for the overall performance of our International Air Freight Division.

Kimio Maki

Non-Independent Executive Director
Aged 49, Japanese

Kimio Maki was appointed to the Board on 30 October 2007. He serves as the authorised Corporate Representative of Nippon Yusen Kabushiki Kaisha (NYK).

Kimio Maki is a graduate from the Waseda University, Japan with a Bachelor of Arts in Economics and started his career with NYK Line, Tokyo in 1984. He was promoted to Assistant Manager in 1993 and was assigned to the Logistics Planning Department, North America Division based in Tokyo. He has had vast experience in the container sales and the management of the container business. His first foreign assignment was in Singapore where he served as a Deputy General Manager in the NYK Line (Asia) Pte Ltd under the Business Process Management Division. He worked in Singapore from 1997 to 2002 before returning to Tokyo and was assigned as the Assistant Manager of the Fuel Team in the Petroleum Group under NYK Line (Asia) Pte Ltd. He was later promoted to Manager in 2002. In 2003, he was transferred to the Container Export Sales Division, North America Department in the NYK Line based in Tokyo. He was later promoted to a General Manager in 2005. He was seconded to the Group as a Corporate Executive Director in 2007. He is currently responsible for the overall performance of our International Sea Freight Division, Auto Logistics Division and International Network Solutions Division.

Raymond Cha Kar Siang

Independent Non-Executive Director
Aged 38, Malaysian

Raymond Cha Kar Siang was appointed to the Board on 30 October 2007. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee.

Raymond Cha Kar Siang is a graduate from the faculty of law, University Malaya and was admitted to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya on 8 March 1996. In the same year, he joined Messrs Eugene Tan & Co. as a Legal Assistant where he gained wide exposure and experience in providing legal services to international clients such as Warner Bros, Mercedes Benz and Puma. Subsequently, in 1997, he founded a law firm Messrs Putra Ray and Partners, where he is currently the Managing Partner and handles the firm's Corporate Consultancy, Conveyancing, and Intellectual Property portfolios.

Raymond Cha Kar Siang was a tutor in the Faculty of Law, University Malaya between 1995 and 1996 and subsequently the Company Secretary for Warner Bros. (M) Sdn Bhd between 1996 and 1997. He was also the Vice President of the Law Society of University of Malaya between 1993 and 1995 and the Chairman for ASEAN Law Students Association between 1992 and 1993.

Kwong Hoi Meng

Independent Non-Executive Director
Aged 41, Malaysian

Kwong Hoi Meng was appointed to the Board on 30 October 2007. He is the Chairman of the Audit Committee and a member of the Nominating Committee.

Kwong Hoi Meng became an Ordinary Member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants in 1994 and an approved company auditor in 2006.

Kwong Hoi Meng has had twenty (20) years of professional experience in the accounting and auditing field. He started his career as an Audit Trainee under Mustapha Law, Kassim Chan & Co and Deloitte Touche Tohmatsu from 1987 to 1993. He later joined Malaysian Mosaics Berhad in 1993 but left in 1996 to join Nagaletrik Sdn Bhd as the Financial Controller until 2000. He then joined Sekhar and Tan as the Audit Senior Manager from 2000 to 2004. In 2005 he was the Proprietor of HM Kwong & Associates and was also appointed as the Director of WTY Corporate Services Sdn Bhd. In 2006, he resigned as the Director of WTY Corporate Services Sdn Bhd and was appointed as the Director and Partner of Leslie Yap & Co which he resigned in July 2007. He is presently the Partner of Kwong & Wong and Director of KW Tax Services Sdn Bhd.

Raippan s/o Yagappan @ Raiappan Peter

Independent Non-Executive Director
Aged 65, Malaysian

Raippan s/o Yagappan @ Raiappan Peter was appointed to the Board on 30 October 2007. He is the Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee.

Raippan s/o Yagappan @ Raiappan Peter is a graduate from University Malaya with a Bachelor of Arts (History & Economics). He served twenty seven (27) years in the Ministry of Labour, later to be known as the Ministry of Human Resource. He retired optionally in December 1994 after holding the post of the Deputy Director General of Labour, Malaysia and later the Deputy Director General of Industrial Relations, Malaysia. He was the Industrial Relations Adviser of Sime Darby Plantations, a division of Sime Darby Berhad from December 1994 to March 2000.

Apart from having authored several manuals on human resource matters, Raippan s/o Yagappan @ Raiappan Peter is a much sought after trainer in various human resource management subjects. He has also served as a Panel Member, representing employers at the Industrial Court and Industrial Relations Panel with the Malaysian Employers Federation. He is now the Managing Consultant of Inforite IR Consultancy.

CHAIRMAN'S STATEMENT

"As the Chairman of Trans-Asia Shipping Corporation Berhad, I am very pleased to present our first Annual Report for the financial year ended 31 December 2007 to our shareholders and report on the significant progress of our Group"

FINANCIAL HIGHLIGHTS

Our Group achieved the revenue of RM329.8 million in 2007, a decrease of 7 % over the previous year's revenue of RM354.9 million. Despite posting a lower revenue, our Group gained a profit before and after taxation of RM18.3 million and RM13.2 million respectively in 2007. They represent increase of 8 % and 6 % over the previous year's profit before and after taxation of RM17.0 million and RM12.4 million respectively. The Group's basic earnings per share also increased from 16.55 sen in 2006 to 17.54 sen per share in 2007.

Our Group's revenue of RM329.8 million and profit after taxation of RM13.2 million also met our 2007 forecast of RM325.7 million and RM12.8 million respectively.

ACQUISITIONS AND CAPITAL EXPENDITURES IN YEAR 2008

Earlier in year 2008, our Company announced that it has acquired 100% equity interest of Maya Kekal Sdn Bhd and 67.5% of Precious Fortunes Sdn Bhd for a total purchase consideration of RM8.3 million. In addition, our Group also utilised approximately RM8.5 million to develop its Bangi Logistics Centre. The objective of the acquisitions and development is to expand our warehouse space to meet our customers' demands. Out of the total expenditure of RM16.8 million, RM14.2 million was funded from our listing proceeds while the rests was funded internally. Barring unforeseen circumstances, our Group expects that the acquisitions and development will bring a favourable financial impact to our Group.

In the coming months, our Group expects to incur more capital expenditures for the expansion of our operation facilities in some of the strategic locations. This is to overcome our operation constraints and to improve our cost efficiency in the long run. Also, with the entitlement of the Investment Tax Allowance which is scheduled to end by year 2008, the qualified capital expenditures incurred in the expansion plan will be claimed to set off against our statutory tax income which in turn reduces our Company's tax payments in the future years.

In funding the expansion plan, our Group has maintained a strong financial position with cash and bank balances of RM65.6 million and gearing ratio of 2% as at 31 March 2008. Coupled with our unutilised credit facilities, we have the financial flexibility in managing our future cash flow. However, due to this expansion plan in year 2008, the Board does not recommend paying any dividend for the financial year ended 31 December 2007.

REVIEW AND OUTLOOK OF YEAR 2008

In the first (1st) quarter of year 2008, our Group was operating against the backdrop of a decelerating global growth led by a sharp slowdown in the United States of America, weak financial markets and rising inflation in the wake of high commodity prices. However, the Group managed to achieve a revenue of RM80.0 million and improved its profit before taxation by RM1.1 million, an increase of 36% as compared to the same quarter in year 2007.

The rising commodity prices have sharply increased the producer price index. Due to the nature of these inflationary pressures, the private and public sectors have to enhance their efficiency levels to reduce costs in order to stay competitive. Hence, the demand for integrated multimodal supply chain solutions is on the upward trend.

Riding on the emerging economies in Asia, our Group also saw multinational companies setting up their bases in this region to take advantage of the lower cost of operation. A strong supply chain network becomes crucial in order to disseminate their products to every nook and corner speedily. On the other hand, many Malaysian companies which have successfully ventured overseas are also required to optimise their supply chain management and compete at the international level.

With more than thirty (30) years of experience, our Group is well positioned to offer customers quicker turnaround time, flexible transportations schedule, just-in-time inventory management and competitive freight rates, which will enhance customers' market positions and competitive advantages. By being their logistics partner, our customers are able to better focus on their respective core competencies.

IMPORTANT MILESTONES

Year 2008 marks the 34th anniversary of our Group and we are proud of our long and successful history. Together with our listing on the Main Board of Bursa Malaysia Securities Berhad in year 2007, we are committed to do what is right for the long-term interest of our Group.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to welcome all our new shareholders and thank all those who have contributed to the successful listing of the Company.

Year 2007 has also been a demanding year for the top management team and employees. Their professionalism and dedication have brought our Group's development to a new height, and have set our Group well for the future. I would like to thank them all for their contribution to our Group's ongoing success.

On our international business outlook, I would like to thank our global partners, Nippon Yusen Kabushiki Kaisha and Yusen Air & Sea Service Co Ltd for their partnership that has put TASCO's name on the world map.

Tan Sri Asmat Bin Kamaludin
Chairman

FROM OUR GROUP MANAGING DIRECTOR

"As the Group Managing Director of Trans-Asia Shipping Corporation Berhad, I would like to take this opportunity to introduce our Group's business model and share our future plans with our shareholders"

Q1: What is the overall business structure of the Group and the future plans?

We structure our business into two (2) segments – International Business Solutions and Domestic Business Solutions – which provide a total integration of sea, land and air logistics solutions to meet our customers' demands.

"We structure our business into International and Domestic Business Solutions"

International Business Solutions

Our International Business Solutions consist of International Air Freight Division, International Sea Freight Division and International Network Solutions Division. This business segment has a staff strength of two hundred and thirty (230) which mainly provides air freight, sea freight and buyer consolidation services. It generally requires a wide global logistics network with the collaboration of many foreign agents located in different countries under a common IT system. In our case, we are glad to have Nippon Yusen Kabushiki Kaisha (NYK) and Yusen Air & Sea Service Co Ltd (YAS) as our international partners under the brand names of NYK Logistics & Megacarrier and Yusen Global Logistics Air & Sea Service.

NYK, a Fortune Global 500 company, is listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange. It operates one of Japan's largest fleet of seven hundred and forty two (742) vessels and ten (10) aircrafts. With a total of three hundred and seventy nine (379) logistics centres in thirty four (34) countries worldwide, NYK is considered as one of the largest 3rd party logistics players in the world. YAS, a subsidiary of NYK, is also listed on the Tokyo Stock Exchange. With a total of two hundred and thirty one (231) offices in thirty three (33) countries worldwide, YAS is ranked as one of the largest air freight forwarders in Japan.

Since our incorporation in 1974, NYK and YAS have been our shareholders and network agents. They have provided us not only with an extensive global logistics network services, but also with IT systems, secondment of staff and technical expertise. To demonstrate their commitment and support, NYK has also given an undertaking that it will not sell, transfer or assign its shareholdings in the Company to any other third party for the duration of five (5) years or more from the date of admission of the Company on the Main Board of Bursa Malayisa Securities Berhad.

In general, this business segment requires minimum capital investment. It contributes to a higher revenue with a lower profit margin as compared to our Domestic Business Solutions. For the financial year ended 31 December 2007, our International Business Solutions contributed RM172.8 million or 52% (2006: RM215.4 million or 61%) and RM7.1 million or 36% (2006: RM10.6 million or 57%) of the Group's revenue and profit before taxation respectively.

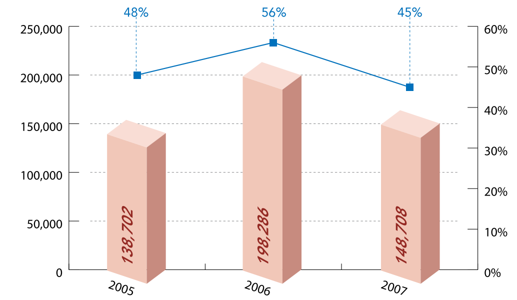
The future plan of our International Business Solutions is to expand our air freight and sea freight services while working closely with NYK and YAS to develop logistics solutions under a global logistics network. Our sales focus will be on providing global logistics solutions to the local sizeable manufacturers with international trading, especially on the door to door services.

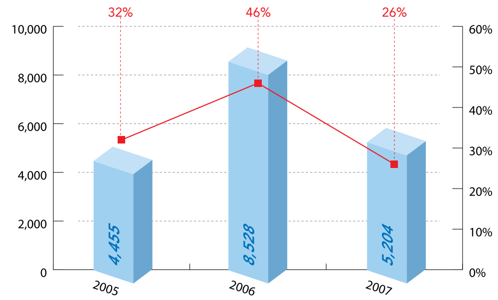
"Our International Business Solutions contributed 52% and 36% of the Group's revenue and profit before taxation respectively."

International Business Solutions

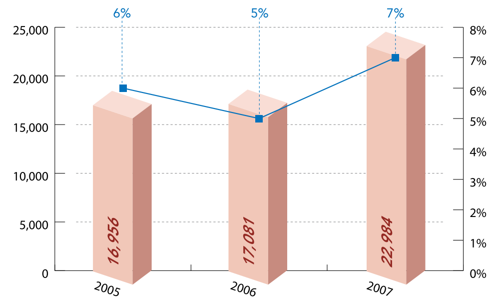
Our International Air Freight Division, International Sea Freight Division and International Network Solutions Division form part of our International Business Solutions and their respective segmental revenues and results for financial year 2005, 2006 and 2007 are as follows:

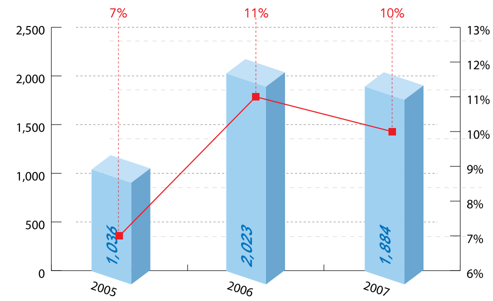
International Air Freight Division



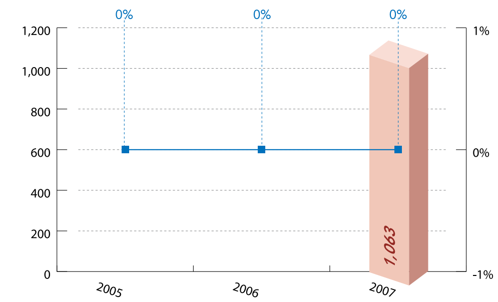


International Sea Freight Division

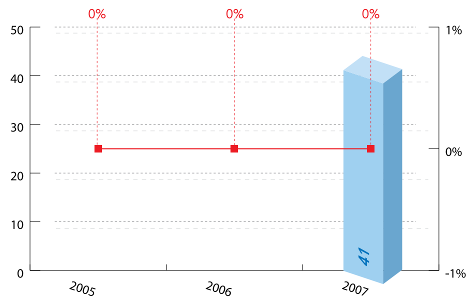




International Network Solutions Division



The Division was established in year 2007



The Division was established in year 2007

Revenue (RM'000) | Profit Before Taxation (RM'000) | Contribution % to the Group

Q1: What is the overall business structure of the Group and the future plans (cont')?

Domestic Business Solutions

Our Domestic Business Solutions consist of Forwarding Division, Trucking Division and Auto Logistics Division. This business segment has a staff strength of six hundred (600) and mainly provides customs clearance, warehousing, container haulage, trucking, car carrier, pre-delivery inspection and other value added services. It generally requires a wide domestic logistics network with proper support of resource planning and IT systems. We currently have twenty nine (29) operation centres in Malaysia and have our truck fleet under the brand names of TASCO and Harimau Express.

In general, this business segment is highly regulated and capital intensive. It contributes to a lower revenue but higher profit margin as compared to our International Business Solutions. For the financial year ended 31 December 2007, our Domestic Business Solutions contributed RM157.1 million or 48% (2006: RM139.5 million or 39%) and RM12.6 million or 64% (2006: RM7.8 million or 43%) of the Group's revenue and profit before taxation respectively.

The future plan of Domestic Business Solutions is to acquire and expand our capital resources such as trucks and warehouses to cater for the increase in volume handled while improving our operation quality. Our sales focus will be on tendering businesses with long term service contracts to justify our capital investments. We also plan to fully utilise our domestic logistics network and emphasize on our cross border trucking as well as to provide courier services and home deliveries.

Q2: What are the business prospects and strategies of the Group in the near future?

Our business prospects are to leverage on our global and domestic logistics networks covering sea, land and air and to become the world's leading logistics enterprise.

As for our business strategies, we intend to consolidate our market position in the logistics industry and continue to explore other new business opportunities. To achieve this, we have developed the following business strategies:

- Continue to pursue profitable market share growth while strenghtening our existing customer base through building on existing strengths and focusing on target specific market segments;
- Providing innovative new services or supply chain solutions to differentiate us from our competitors and to become the logistics solutions leader in the industry; and
- Further improve our operational capabilities and efficiency through the expansion of capital investments, development of IT systems, retaining and attracting quality workforce.

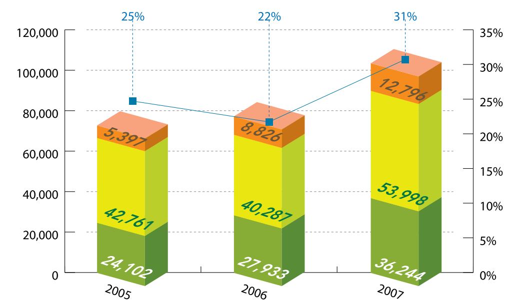
"Our Domestic Business Solutions contributed 48% and 64% of the Group's revenue and profit before taxation respectively."

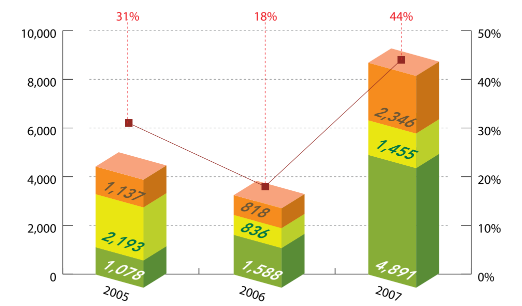
Domestic Business Solutions

Our Forwarding Division, Trucking Division and Auto Logistics Division form part of our Domestic Business Solutions and their respective segmental revenues and results for financial year 2005, 2006 and 2007 are as follows:

Forwarding Division

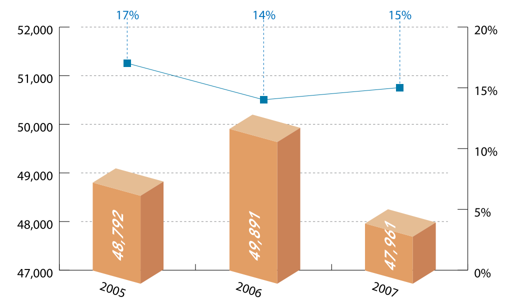
TASCO

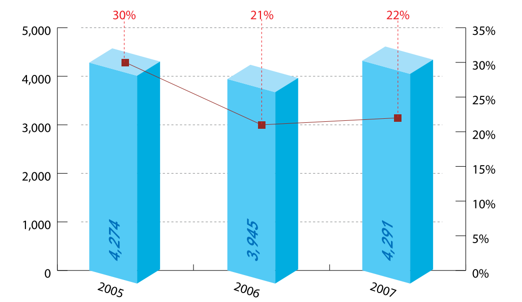




Trucking Division

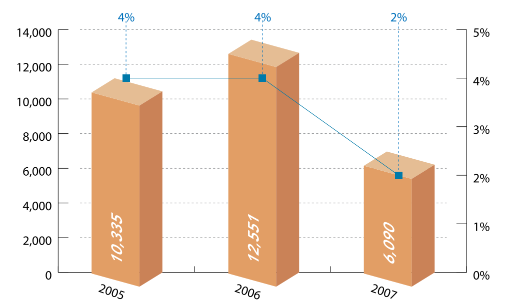
HARIMAU EXPRESS

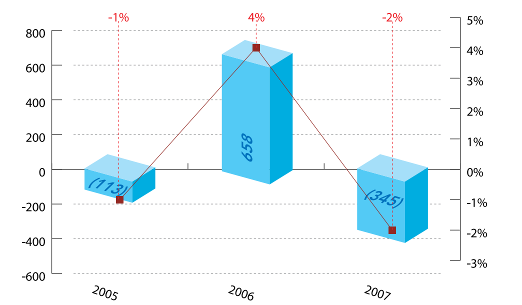




Auto Logistics Division

TASCO





Warehouse | Customs Clearance | Haulage

Revenue (RM'000) | Profit Before Taxation (RM'000) | Contribution % to the Group

CORPORATE GOVERNANCE STATEMENT

The Malaysian Code on Corporate Governance ("the Code") sets out the principles and best practices on structures and processes that companies may use towards achieving their optimal governance framework.

The Board is committed to ensuring that the principles and best practices on corporate governance are observed and practised throughout the Group as the fundamental part of discharging its responsibilities to protect and enhance shareholders' value.

The Board is fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and best practices set out in Part 1 and Part 2 of the Code.

THE BOARD

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

The Directors have reviewed and adopted a strategic plan, which covers the core businesses of the Group. The various strategies and objectives identified in the plan are being monitored and evaluated during the implementation. The Directors have also reviewed and adopted a risk management system which identifies the principal risks and ensures the implementation of the management of those risks to mitigate the impact of any such risks. Its other responsibilities include reviewing the adequacy and integrity of the Group's internal control systems and management information systems for compliance with applicable laws, regulations, rules, directives and guidelines as well as developing and implementing of the succession planning for senior management and investor relations programme for the Group.

The Board has also established Board Committees to assist the Board in carrying out its fiduciary duties. These Committees deliberate on particular issues and report their findings and recommendations to the Board. However, the ultimate responsibility for all decisions lie with the entire Board. The following Committees have been formed:-

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

BOARD BALANCE

The position of the Chairman and the Group Managing Director are held by two (2) individuals. There is a clear division of responsibilities between the Chairman and the Group Managing Director, which will ensure a balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board. The Group Managing Director is responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business and corporate strategies.

The Board considers that the current size of the Board is adequate and facilitates effective decision making. The Board also reviews on an annual basis the appropriateness of its size. The Board comprises of nine (9) members of which, one (1) is the Non-Executive Chairman, five (5) are Executive Directors and three (3) are Independent Non-Executive Directors. The Board's composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad that requires at least one third (1/3) of the Board to comprise of Independent Non-Executive Directors. A brief profile of each Director is presented on pages 7 to 13.

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

DIRECTORS' TRAINING

All members of the Board have attended and successfully completed the Mandatory Accreditation Programme in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad.

Under the revised Listing Requirements of Bursa Malaysia Securities Berhad, the Board will assume the onus of determining or overseeing the training needs of their Directors. The Directors are encouraged to attend relevant seminars and courses to keep themselves updated on the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

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

BOARD MEETINGS AND SUPPLY OF INFORMATION

There was no board meetings held from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Board had subsequently convened meetings on 20 February 2008 and 16 April 2008 and all nine (9) Directors were present in both meetings.

Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors in time to enable the Directors to effectively discharge their responsibilities. Any additional information requested by Directors is readily available. Periodic reports on the performance of the Group are also circulated to the Directors for their views and comments. The Board also has a formal schedule of matters reserved for deliberation and decision such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

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

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

All proceedings of the Board meetings are minuted and signed by the Chairman of the meeting in accordance with the provision of Section 156 of the Companies Act, 1965.

In the furtherance of their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the Group's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from the Directors both for the Group's own records and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Requirements of Bursa Malaysia Securities Berhad and other regulatory requirements. The Board acknowledges the fact that the Chairman is entitled to the positive support of the Company Secretary in ensuring the effective functioning of the Board. The appointment and removal of the Company Secretary shall be within the purview of the Board.

APPOINTMENTS TO THE BOARD

The Nominating Committee was established on 6 December 2007 and it is responsible for recommending the right candidate for appointment to the Board or Board Committees.

The Nominating Committee is also responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the performance of each existing Director. The Board has implemented an annual evaluation process to carry out the required assessment.

The members of the Nominating Committee which comprise exclusively of Independent Non-Executive Directors are as follows:

- Raymond Cha Kar Siang (Chairman)
- Kwong Hoi Meng
- Raippan s/o Yagappan @ Raiappan Peter

The terms of reference of the Nominating Committee have been approved by the Board and comply with the recommendations of the Code.

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by the shareholders at the first Annual General Meeting after their appointment.

In accordance with the Company's Articles of Association, one third (1/3) of the existing Directors including the Managing Director are required to retire by rotation at the Annual General Meeting held annually.

A Director who is over seventy (70) years old is required to offer himself for re-appointment annually in accordance to Section 129 (6) of the Companies Act, 1965.

DIRECTORS' REMUNERATION

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

The details of the Directors' remuneration for the financial year ended 31 December 2007 by category and in bands of RM50,000 are as follows:

Range of remuneration	Executive Directors	Non- Executive Directors
Below RM50,000	1	3
RM50,001 to RM100,000	2	1
RM100,001 to RM150,000	2	-
RM1,250,001 to RM1,300,000	1	-

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

	Fees RM	Salaries and other emoluments	Total RM
Executive Directors	Nil	1,727,054	1,727,054
Non-Executive Directors	69,000	Nil	69,000

The Board is of the opinion that it is sufficient to disclose the remuneration of Directors by category and in bands of RM50,000.

The Remuneration Committee was established on 6 December 2007. The members of the Remuneration Committee which comprises mainly Independent Non-Executive Directors are as follows:

- Raippan s/o Yagappan @ Raiappan Peter (Chairman)
- Raymond Cha Kar Siang
- Lee Check Poh

The Remuneration Committee recommends to the Board on the total remuneration and other related benefits of the Executive Directors. The determination of the remuneration of the Non-Executive Directors as well as the Executive Directors will be a matter to be determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on the decisions regarding his individual remuneration.

The terms of reference of the Remuneration Committee have been approved by the Board and comply with the recommendations of the Code.

AUDIT COMMITTEE

The primary objective of the Audit Committee is to assist the Board to review the adequacy and integrity of the Group's internal control systems and all financial statements before their submission to the Board for approval.

The composition and terms of reference of the Audit Committee together with its report are presented on pages 27 to 30 of the Annual Report.

FINANCIAL REPORTING

In presenting the Annual Report and quarterly results to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee and the Board review the information to be disclosed before the release to Bursa Malaysia Securities Berhad.

INTERNAL CONTROL

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review the adequacy and the integrity of the internal control systems. The Directors also take cognizance of the importance of identifying principal risks and having an appropriate risk management system. The Group also has an Internal Audit Function, which reports to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls. Information on the Group's internal controls is presented in the Statement on Internal Control as set out on page 31 of the Annual Report.

RELATIONSHIP WITH THE AUDITORS

The Group also has established an appropriate and transparent relationship with its external and internal auditors through the Audit Committee. The role of the Audit Committee in relation to the external and internal auditors is set out in the Audit Committee Report on pages 27 to 30 of the Annual Report.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board values its dialogue with both institutional shareholders and private investors and recognizes that timely and equal dissemination of relevant information is provided to them. In this regard, it adheres to the Listing Requirements of Bursa Malaysia Securities Berhad.

A copy of the Annual Report is sent to all our shareholders and is available upon request. In addition the Group makes various announcements through Bursa Malaysia Securities Berhad in particular the timely release of the quarterly results. Members of the public can also obtain the full financial results and the announcements from the website of Bursa Malaysia Securities Berhad.

The Board encourages shareholders' active participation in the Company's Annual General Meeting. The Annual General Meeting remains as the principal forum for dialogue with shareholders where it provides an opportunity for the shareholders to seek clarifications on the Group's operations. The Chairman and members of the Board will undertake the responsibility to provide the shareholder with a written answer to any significant questions that cannot be readily answered. The external auditors will also be present to provide their professional and independent clarification on issues and concerns raised by the shareholders, if any.

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

ADDITIONAL COMPLIANCE INFORMATION

a) *Utilisation of proceeds*
The Company has issued 25.2 million new ordinary shares of RM1.00 each at an issue price of RM1.10 per ordinary share and subsequently listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007.

The total proceeds raised were approximately RM27.7 million and proceeds for the expansion of facilities have been utilised according to the Prospectus issued by the Company on 7 December 2007.

b) *Share buybacks*
During the financial year there was no share buyback scheme.

c) *Options, warrants or convertible securities*

The Company did not issue any options, warrants or convertible securities during the financial year.

d) *American Depository Receipts ("ADR") or Global Depository Receipts ("GDR")*
During the financial year, the Company did not sponsor any ADR or GDR program.

e) *Imposition of sanctions/penalties*
There were no sanctions/penalties imposed on the Group, Directors or management by the relevant regulatory bodies.

f) *Non-audit fees*
Non-audit fees paid by the Group to the external auditor for its professional services as the Reporting Accountant of the Company's listing exercise amounted to RM70,000.00.

g) *Variation in results*
There is no material variance between the results for the financial year and the unaudited results previously announced by the Group. There is also no material variance between the results for the financial year and the forecast results based on the Prospectus issued by the Company on 7 December 2007.

h) *Profit guarantee*
The Company did not issue any profit guarantee for the financial year.

i) *Material contracts involving the Directors and substantial shareholders' interests*
Other than the related party transactions disclosed in Note 35 of pages 77 and 78 in the Annual Report, there were no material contracts entered into by the Group during the financial year which involved the interests of the Directors or substantial shareholders.

j) *Revaluation policy on landed properties*
The Group has not adopted a policy of regular revaluation on landed properties.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year. In preparing the financial statements, the Directors have:

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

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

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

Statement is made in accordance with the resolution of the Board dated 16 April 2008.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2007.

The Audit Committee was established on 6 December 2007.

MEMBERS AND MEETINGS

The Audit Committee is comprised of the following members :

NAME	STATUS OF DIRECTORSHIP	INDEPENDENT
Kwong Hoi Meng (Chairman)	Non-Executive	Yes
Raymond Cha Kar Siang	Non-Executive	Yes
Raippan s/o Yagappan @ Raiappan Peter (appointed on 7 May 2008)	Non-Executive	Yes
Lee Check Poh (resigned on 7 May 2008)	Executive	No

There was no Audit Committee Meeting held from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Audit Committee had subsequently convened meetings on 20 February 2008 and 16 April 2008 and all three (3) Audit Committee members were present in both meetings.

TERMS OF REFERENCE

Primary Purposes

The Audit Committee shall:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for the Group.

2. Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

4. Enhance the independence of both the external and internal auditors functions through active participation in the audit process.

5. Strengthen the role of the independent directors by giving them a greater depth of knowledge as to the operations of the Group through their participation in the Audit Committee.

6. Act upon the Board's request to investigate and report on any issues or concerns with regard to the management of the Group.

Members

The Board shall appoint the members of the Audit Committee from amongst themselves, which fulfils the following requirements: -

1. The Audit Committee shall be composed of at least three (3) members;

2. The majority of the Audit Committee must be independent directors;

3. The Chairman of the Audit Committee shall be an independent directors;

4. All members of the Audit Committee shall be non-executive directors;

5. All members of the Audit Committee should be financially literate and at least one of the members of the Audit Committee must:-
   (i) be a member of the Malaysian Institute of Accountants; or
   (ii) have at least three (3) years working experience and;
      - Must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967, or
      - Must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
   (iii) fulfil such other requirements as prescribed by Bursa Malaysia Securities Berhad; and

6. No alternate director is appointed as a member of the Audit Committee.

Authority

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

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

Functions and Duties

The functions of the Audit Committee are as follows:-

1. To do the following, in relation to the internal audit function:-
   a. review the adequacy of the scope, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   b. review the internal audit programme and results of the internal audit process or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;
   c. review any appraisal or assessment of the performance of members of the internal audit function;
   d. approve any appointment or termination of senior staff members of the internal audit function; and
   e. take cognisance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

2. To do the following, in relation to the external audit function:-
   a. consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Group's external auditors is not suitable for re-appointment;
   b. discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
   c. review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
      (i) any changes in or implementation of major accounting policy and practices;
      (ii) significant adjustments arising from the audit;
      (iii) the going concern assumption; and
      (iv) compliance with accounting standards and other legal requirements.
   d. review any management letter sent by the external auditors to the Group and the management's response to such letter;
   e. discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
   f. review the adequacy of existing external auditors audit arrangements, with particular emphasis on the scope and quality of the audit;
   g. review the external auditors' audit report;
   h. review the assistance given by the employees of the Group to the external auditors; and
   i. review all areas of significant financial risks and the arrangements in place to contain those risks to acceptable levels.

3. To consider any related party transactions and potential conflict of interests situations that may arise within the Company and the Group.

4. To consider the major findings of internal investigations and management response.

5. To meet with the external auditors without executive board members present at least twice (2) a year.

6. To carry out any other function that may be mutually agreed upon by the Audit Committee and the Board, which would be beneficial to the Group and ensure the effectiveness discharge of the Audit Committee's duties and responsibilities.

7. To review and verify the allocation of share options to eligible persons as being in compliance with the by-laws approved by the Board and shareholders of the Company.

8. The Audit Committee actions shall be reported to the Board with such recommendations as the Audit Committee deemed appropriate.

9. To report to Bursa Malaysia Securities Berhad on any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad.

Retirement and Resignation

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy within two (2) months, but in any case not later than three (3) months.

Meetings

1. The Audit Committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

2. The quorum of the meeting is two (2) and they must be Independent Directors.

3. Upon the request of any member of the Audit Committee, the external auditors or the internal auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider matters which should be brought to the attention of the Directors or shareholders.

4. The external auditors and internal auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee when required to do so by the Audit Committee.

5. The Audit Committee may invite any Directors or any member of management or any employee of the Group who the Audit Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.

6. The Company must ensure that other Directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

Procedures of Audit Committee

The Audit Committee may regulate its own procedures, in particular:-

a. the calling of meetings;
b. the notice to be given of such meetings;
c. the voting and proceedings of such meetings;
d. the keeping of minutes; and
e. the custody, production and inspection of such minutes.

Secretary

The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

The Audit Committee was established on 6 December 2007 and there was no significant activities undertaken by the Audit Committee from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Audit Committee had subsequently convened meetings on 20 February 2008 and 16 April 2008 to carry out the following activities:

a. Reviewed the Group's quarterly financial results and made suitable recommendations thereon to the Board for adoption prior to their release to Bursa Malaysia Securities Berhad.
b. Reviewed the Group's year-end audited financial statements before recommending for consideration and approval by the Board.
c. Discussed and reviewed the Group's compliance, in particular the quarterly and annual audited financial statements with the Listing Requirements of Bursa Malaysia Securities Berhad, the provisions of the Companies Act, 1965 and applicable approved accounting standards issued by the Malaysian Accounting Standards Board and the changes and implementation of new accounting standards on the Group's financial statements.
d. Reviewed with the external auditors the results of their audit, the auditors' report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
e. Reviewed related party transactions of the Group during the financial year and its disclosure in the Group's financial statements and ensured that the transactions were undertaken on the Group's normal commercial terms and that the internal control procedures with regards to the transactions were adequate, and if any conflict of interest situation could have arisen that raises questions of management integrity.

INTERNAL AUDIT FUNCTION

There was no internal audit function set up from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Group had subsequently in 2008 outsourced its internal audit function to an independent party who is to assist the Audit Committee as well as the Board in discharging their responsibilities by providing independent, objective assurance and advisory services that add value and improvement to the operations.

The internal audit function focuses on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee.

STATEMENT ON INTERNAL CONTROL

RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control.

The system of internal control is designed to manage and minimize the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The Group's system of internal control does not apply to its associated companies because the Group does not have full management control over them.

KEY PROCESSES

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to the date of approval of the Annual Report and Financial Statements.

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are described below:

- Organisation structure with clearly defined delegation of responsibilities to the Board and the Board Committee;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- Four (4) branches in the Group were accredited ISO 9001:2000 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted twice (2) a year by assessors of the ISO certification body to ensure that the system is adequately implemented;
- Documented guidelines on operating procedures have been put in place for relevant departments;
- Regular information are provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports and;
- Budgeting and forecasting system governed by Group's policies;

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

INTERNAL AUDIT FUNCTION

After the listing of the Company on 28 December 2007, the Group established its internal audit function and outsourced to an independent party who is to assist the Audit Committee as well as the Board in discharging their responsibilities by providing an independent, objective assurance and advisory services that add value and improvement to the operations by:

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

The internal audit function has focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the Audit Committee. Please refer to the Audit Committee Report as set out on pages 27 to 30.

RISK MANAGEMENT COMMITTEE

After the listing of the Company on 28 December 2007, the Group also established a Risk Management Committee to ensure that the Company implements a comprehensive system of risk identification, assessment and management. The risk management system will form an integral part of the Group's structure and will be designed to identify, assess, monitor and manage risks.

The Risk Management Committee regularly reviews the risk factors applicable to the Group and ensures that procedures are set in place which are effectively and efficiently managing these risks within the particular context of the Group's business strategy and the environment in which the Group operates.

Statement is made in accordance with the resolution of the Board dated 7 May 2008.

CALENDAR OF EVENTS

7 MAY 2007

Shah Alam Logistics Centre was awarded with an ISO 9001:2000 certificate from Lloyd's Register Quality Assurance Ltd for establishing a quality management system for provision of warehousing, trucking and auto logistics services.

- 7 MAY 2007

12 AND 13 MAY 2007

The Group held its 33rd Annual Gathering in Melaka. This event was an annual affair where staff had the opportunity to take a break from work to foster goodwill and closer rapport among themselves.

- 12 AND 13 MAY 2007

20 JULY 2007

The Group was awarded with the Frost and Sullivan Award 2007 for the Best Retail Logistics Service Provider (Malaysia). The Group Managing Director, Mr Lee Check Poh received the Award on behalf of the Company at the Awards Presentation held in Pan Pacific Hotel, Singapore.

- 20 JULY 2007

3 AND 4 DECEMBER 2007

The Group participated in the 4th South-East Asia Gemba Kaizen Meeting held in Jakarta, Indonesia. The objective of the Gemba Meeting is to go forward as a team in sharing and learning and applying knowledge learned among the participantis from Thailand, Malaysia, Singapore, Philippines and Indonesia.

- 3 & 4 DECEMBER 2007

7 DECEMBER 2007

The Company launched its prospectus for the issue of 25,200,000 new ordinary shares of RM1.00 each at an issue price of RM1.10 per ordinary share in conjunction with its listing on the Main Board of Bursa Malaysia Securities Berhad. The launching was held at The Westin Kuala Lumpur and the occasion was carried out in a grand affair with about one hundred and fifty (150) guests and members of the press attending.

- 7 DECEMBER 2007

28 DECEMBER 2007

The listing ceremony of the Company shares was held at Bursa Malaysia Berhad office. At 9.00 am the Chairman, Tan Sri Asmat Bin Kamaludin, the Group Managing Director, Mr Lee Check Poh and Executive Vice Chairman of NYK Group, Mr Minoru Sato struck the gong to officially list the Company shares on the Main Board of Bursa Malaysia Securities Berhad.

- 28 DECEMBER 2007

CORPORATE SOCIAL RESPONSIBILITY

As one of the leading logistics companies in Malaysia, the Group undertakes to transport customers' products whether by sea, land or air to their destinations as accurately, safely and efficiently as possible. The Group believes that promoting corporate social responsibility is essential to the creation and enhancement of one's base of operations by providing safe logistical services while protecting the environment. In this regard, the Group is fully committed towards safety at work place, road safety and environment.

Safety At Work Place

The Group places great importance on safety at work for the staff and has adopted the following policies and procedures in its day to day operations:

a) Occupational Safety and Health
Safety Committees are set up in compliance with the Occupational Safety and Health Act (OSHA).

b) Safe and Proper Cargo Handling
Standard Operating Procedures (SOP) are set up for safe and proper handling of cargo and strict compliance of the SOP is enforced.

c) Schedule for Proper Maintenance of Cargo Handling Equipment
Schedules for proper maintenance and safety checks on cargo handling equipment are carried out to ensure the equipment is in good and safe working condition.

d) Towards Reducing Noise and Air Pollution
More electric powered cargo handling equipment instead of motorised machines are deployed in the warehouse to reduce the noise and air pollution to prevent occupational risk and to provide a better working environment for the staff.

e) In-House Training and Public Training
In-house trainings on safety and handling of cargo equipment are conducted regularly while public trainings are attended for occupational safety and health issues.

f) Safety Campaign, Safety Signages and Hazard Warning
Safety campaigns are conducted to promote awareness as well as to educate the staff. Safety signages and hazard warning signs are put up at the work place to prevent accident.

g) Installation of CCTV and Alarm Systems
CCTV and alarm systems are installed in the warehouse to safeguard the customers' cargo.

h) Inspection of Fire Fighting Systems and Equipment, Electrical Wiring and Generator Back Up Set System
Fire fighting systems and equipment as well as the generator set are regularly inspected to ensure that they are operational in case of fire or power failure to prevent damage to customers' cargo and properties.

Electrical wiring systems are regularly checked to replace damaged wiring and to prevent short circuit that may cause damages to properties and endanger human lives.

Road Safety

The Group also plays an important role to ensure safety on the road, so as to prevent accident thereby preventing injuries to persons, loss of human lives as well as damage to customers' cargo and properties. The drivers are vetted with the police for criminal records and employment are based on the qualification and/or experience and subjected to them passing of the pre-employment medical examinations.

Training are conducted for the drivers on awareness of safety, safe driving and security against robbery and hijacking. Most trucks are installed with Global Positioning System for surveillance on route taken and stoppage as well as to monitor truck speed. The drivers are required to conduct daily safety checklists which are regularly counter checked by the station supervisors.

SOP are set up for refuelling, security, code of discipline and emphasis of 5R's (right place, right time, right person, right quantity and right condition) and strict compliance with the SOP.

Environment

The Group is also concerned with the environment issues and has adopted the following policies and procedures in its day to day operations:

a) Recycling of waste is conducted at major stations;
b) Schedules for the maintenance of trucks and forklifts are carried out to keep the engines in good condition thereby reducing smoke emission;
c) New electric powered handling equipment, instead of motorised machines are deployed to reduce noise and air pollution.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR FINANCIAL ENDED 31 DECEMBER 2007

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 2007.

PRINCIPAL ACTIVITIES

The Company is principally engaged as a total logistics solutions providers. The principal activities of the subsidiary companies are indicated in note 5 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit attributable to shareholders of the Company	13,157,310	10,964,105
Unappropriated profit brought forward	74,813,308	64,686,828
Profit available for appropriation	87,970,618	75,650,933
Restricted bonus issue	(1,109,900)	(1,109,900)
62-for-100 bonus issue	(28,690,100)	(28,690,100)
Unappropriated profit carried forward	58,170,618	45,850,933

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not propose any dividend in respect of the financial year under review.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statements of changes in equity set out on pages 42 and 46.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its authorised share capital from RM50,000,000 to RM200,000,000 by way of the creation of an additional 150,000,000 new ordinary shares of RM1.00 each.

Following the increase in authorised share capital, the issued and paid-up share capital of the Company was increased from RM45,000,000 to RM100,000,000 by way of the following share issues:

(a) Restricted bonus issue of 1,109,900 new ordinary shares of RM1.00 each credited as fully paid up effected through the capitalisation of an amount of RM1,109,900 from unappropriated profit;

(b) 62-for-100 bonus issue of 28,690,100 new ordinary share of RM1.00 each credited as fully paid-up effected through the capitalisation of an amount of RM28,690,100 from unappropriated profit; and

(c) Public Issue of 25,200,000 new ordinary shares of RM1.00 each at an issue price of RM1.10 per share.

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

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

EMPLOYEES' SHARE OPTION SCHEME

In conjuction with the listing of the Company's shares on the Main Board of Bursa Malaysia Securities Berhad, the Company implemented an Employees' Share Option Scheme ("ESOS").

During the financial year, no option was granted to eligible employees pursuant to the ESOS.

The main features of the ESOS are disclosed in note 17 to the financial statements.

DIRECTORS

The directors in office since the date of the last report are:

Tan Sri Asmat Bin Kamaludin	
Mr Lee Check Poh	
En Ahmad Bin Ismail	(appointed on 28.3.2007)
Mr Tan Hock Huat	(appointed on 30.10.2007)
Mr Hidenobu Owaki	(appointed on 30.10.2007)
Mr Kimio Maki	(appointed on 30.10.2007)
Mr Raymond Cha Kar Siang	(appointed on 30.10.2007)
Mr Kwong Hoi Meng	(appointed on 30.10.2007)
Mr Raippan s/o Yagappan @ Raiappan Peter	(appointed on 30.10.2007)
Haji Abd Rashid Bin Abbas	(resigned on 28.3.2007)

In accordance with the Company's Articles of Association, Mr Tan Hock Huat, Mr Hidenobu Owaki, Mr Kimio Maki, Mr Raymond Cha Kar Siang, Mr Kwong Hoi Meng and Mr Raippan s/o Yagappan @ Raiappan Peter who were appointed to the Board subsequent to the last annual general meeting retire at the forthcoming annual general meeting together with Mr Lee Check Poh and En Ahmad Bin Ismail who retire by rotation. The retiring directors, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

The following directors who held office at the end of the financial year had an interest in shares in the Company during the financial year required to be disclosed in accordance with Section 169 (6)(g) of the Companies Act, 1965, as follows:

	--------------- No. of ordinary shares of RM1 each ----------------				
	At 1.1.2007 or date of appointment	Bonus issue	Bought	Sold	At 31.12.2007
Tan Sri Asmat Bin Kamaludin					
- deemed interest	22,950,000	14,279,749	-	-	37,229,749
Mr Lee Check Poh					
- direct interest	3,600,000	-	-	3,600,000	-
- deemed interest	4,950,000	4,880,438	-	-	9,830,438
En Ahmad Bin Ismail					
- direct interest	-	-	60,000	-	60,000
Mr Tan Hock Huat					
- direct interest	-	-	60,000	-	60,000
Mr Raymond Cha Kar Siang					
- direct interest	-	-	11,000	-	11,000
Mr Kwong Hoi Meng					
- direct interest	-	-	11,000	-	11,000
Mr Raippan s/o Yagappan @ Raiappan Peter					
- direct interest	-	-	11,000	-	11,000

Tan Sri Asmat Bin Kamaludin and Mr Lee Check Poh were also deemed to be interested in the Company's shareholdings in all its subsidiary companies.

The Company's shareholdings in its subsidiary companies during the financial year were as follows:

	------ No. of ordinary shares of RM1 each -------			
	At 1.1.2007	Bought	Sold	At 31.12.2007
Baik Sepakat Sdn Bhd	100,000	-	-	100,000
Tunas Cergas Logistik Sdn Bhd	100,000	-	-	100,000
Emulsi Teknik Sdn Bhd	100,000	-	-	100,000
NYK Harimau Express (Malaysia) Sdn Bhd	2	-	-	2
Omega Saujana Sdn Bhd	105,000	-	-	105,000
Piala Kristal (M) Sdn Bhd	105,000	-	-	105,000

	--------- Capital contribution in SGD ----------			
	At 1.1.2007	Bought	Sold	At 31.12.2007
Trans-Asia Shipping Pte Ltd	100,000	-	-	100,000

Additionally, Mr Lee Check Poh and En Ahmad Bin Ismail are also directly interested in the following shares in the subsidiary companies:

	------ No. of ordinary shares of RM1 each -------			
	At 1.1.2007	Bought	Sold	At 31.12.2007
Omega Saujana Sdn Bhd				
Mr Lee Check Poh	49,000	-	-	49,000
En Ahmad Bin Ismail	51,000	-	-	51,000
Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh	49,000	-	-	49,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) 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 except for any benefit which may be deemed to have arisen from the transaction disclosed in note 35(a) to the financial statements.

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

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(i) any charge on the assets of the Company or its subsidiary companies which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company or its subsidiary companies which has arisen since the end of the financial year.

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

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

(f) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR.

The Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007.

AUDITORS

The auditors, Moores Rowland, have expressed their willingness to continue in office.

Signed on behalf of the directors in accordance
with a directors' resolution dated 16 April 2008

LEE CHECK POH
Director

AHMAD BIN ISMAIL
Director

REPORT OF THE AUDITORS TO THE MEMBERS
FINANCIAL STATEMENTS - 31 DECEMBER 2007

We have audited the financial statements of the Group and of the Company set out on pages 48 to 85.

These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards for Entities Other Than Private Entities so as to give a true and fair view of:

  (i) the state of affairs of the Group and of the Company as at 31 December 2007 and of their results and cash flows for the year ended on that date; and

  (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

(b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of Trans-Asia Shipping Pte Ltd and NYK Harimau Express (Malaysia) Sdn Bhd, being the subsidiary companies of which we have not acted as auditors.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification, and in respect of subsidiary companies incorporated in Malaysia, did not include any comment made under Section 174(3) of the Act.

MOORES ROWLAND No. AF : 0539 Chartered Accountants	GAN MORN GHUAT No. 1499/5/09 (J) Partner

Kuala Lumpur

16 April 2008

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2007

	Note	2007	2006
		RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	55,371,819	48,503,437
Goodwill	4	864,854	864,854
Investment in associated companies	6	9,098,752	9,070,879
Other investments	7	1,200,504	1,200,504
Prepaid lease payments	8	6,087,392	6,451,463
Total non-current assets		**72,623,321**	**66,091,137**
Current assets			
Inventories	9	49,852	83,611
Trade receivables	10	64,195,425	59,159,261
Other receivables, deposits and prepayments	11	4,315,074	3,966,585
Amounts owing by associated companies	13	983,735	631,526
Current tax asset		16,619	-
Fixed deposits with a licensed bank	14	41,172,746	13,635,143
Cash and bank balances	15	21,014,095	23,176,946
		131,747,546	100,653,072
Non-current assets classified as held for sale	16	4,104,762	3,462,596
Total current assets		**135,852,308**	**104,115,668**
TOTAL ASSETS		**208,475,629**	**170,206,805**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	100,000,000	45,000,000
Share premium	18	801,317	-
Exchange translation reserve		9,596	11,392
Unappropriated profit		58,170,618	74,813,308
Equity attributable to shareholders of the Company		158,981,531	119,824,700
Minority interests		243,102	221,565
Total equity		**159,224,633**	**120,046,265**
Non-current liabilities			
Hire purchase and finance lease liabilities	19	1,776,846	4,094,741
Deferred tax liabilities	20	2,316,937	2,211,844
Total non-current liabilities		4,093,783	6,306,585
Current liabilities			
Trade payables	21	24,442,550	24,992,755
Other payables, deposits and accruals	22	12,144,286	9,392,622
Amounts owing to associated companies	13	1,598,850	2,448,850
Hire purchase and finance lease liabilities	19	3,694,643	5,556,552
Revolving credits (unsecured)	23	1,480,000	-
Bank overdraft (unsecured)	24	-	47,845
Current tax liabilities		1,796,884	1,415,331
Total current liabilities		**45,157,213**	**43,853,955**
Total liabilities		**49,250,996**	**50,160,540**
TOTAL EQUITY AND LIABILITIES		**208,475,629**	**170,206,805**

Notes to and forming part of the financial statements are set out on pages 48 to 85
Auditors' Report - Pages 39

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Note	2007 RM	2006 RM
Revenue	25	329,844,331	354,854,922
Cost of sales		(262,493,535)	(290,881,835)
Gross profit		67,350,796	63,973,087
Other operating income		612,556	531,621
General and administrative expenses		(50,560,198)	(48,223,390)
Profit from operations	26	17,403,154	16,281,318
Investment income	27	701,583	408,371
Share of net profits of associated companies		663,608	842,665
Finance costs	28	(434,631)	(549,516)
Profit before taxation		18,333,714	16,982,838
Taxation	29	(5,154,867)	(4,572,111)
Profit for the year		**13,178,847**	**12,410,727**
Attributable to:			
Shareholders of the Company		13,157,310	12,380,949
Minority interests		21,537	29,778
		13,178,847	**12,410,727**
Basic earnings per share attributable to shareholders of the Company (sen)	30	**17.54**	**16.55**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	<------ Attributable to shareholders of the Company				------>		
	Share capital	Share premium	Exchange translation reserve	Unappropriated profit	Total	Minority interests	Total equity
	RM	RM	RM	RM	RM	RM	RM
Balance at 1 January 2006	**45,000,000**	**-**	**-**	**62,432,359**	**107,432,359**	**191,787**	**107,624,146**
Net income recognised directly in equity							
- Exchange differences on translating foreign operation	-	-	11,392	-	11,392	-	11,392
Profit for the year	-	-	-	12,380,949	12,380,949	29,778	12,410,727
Balance at 31 December 2006	**45,000,000**	**-**	**11,392**	**74,813,308**	**119,824,700**	**221,565**	**120,046,265**
Exchange differences on translating foreign operation	-	-	(1,796)	-	(1,796)	-	(1,796)
Share issue and listing expenses	-	(1,718,683)	-	-	(1,718,683)	-	(1,718,683)
Net expense recognised directly in equity	-	(1,718,683)	(1,796)	-	(1,720,479)	-	(1,720,479)
Profit for the year	-	-	-	13,157,310	13,157,310	21,537	13,178,847
Total recognised (expense)/income for the year	-	(1,718,683)	(1,796)	13,157,310	11,436,831	21,537	11,458,368
Issue of ordinary shares							
- restricted bonus issue	1,109,900	-	-	(1,109,900)	-	-	-
- 62-for-100 bonus issue	28,690,100	-	-	(28,690,100)	-	-	-
- public issue	25,200,000	2,520,000	-	-	27,720,000	-	27,720,000
Balance at 31 December 2007	**100,000,000**	**801,317**	**9,596**	**58,170,618**	**158,981,531**	**243,102**	**159,224,633**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		18,333,714	16,982,838
Adjustments for:			
Bad and doubtful debts		5,378	234,598
Depreciation		7,367,949	6,337,012
Gain on disposal of property, plant and equipment		(214,092)	(151,252)
Property, plant and equipment written off		2,676	-
Amortisation of prepaid lease payments		72,165	66,689
Goodwill on acquisition written off		-	8,201
Share of net profits of associated companies		(663,608)	(842,665)
Interest income		(628,083)	(408,371)
Dividend income		(73,500)	-
Interest expense		434,631	549,516
Operating profit before working capital changes		24,637,230	22,776,566
Changes in inventories		33,759	(23,547)
Changes in receivables		(5,228,422)	(920,965)
Changes in payables		1,280,846	5,795,018
Cash generated from operations		20,723,413	27,627,072
Tax paid		(4,664,263)	(3,573,663)
Net cash generated from operating activities		16,059,150	24,053,409
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	31	(12,460,261)	(5,948,519)
Proceeds from disposal of property, plant and equipment	32	288,476	214,225
Additions to prepaid lease payments		(350,260)	(651,954)
Deposit paid for acquisition of leasehold land		(165,234)	-
Deposit received from disposal of long leasehold land		67,647	-
Purchase of other investments		-	(45,000)
Advances to an associated company		(348,708)	(627,027)
Interest received		628,083	408,371
Dividends received from an associated company		635,735	627,027
Dividends received from other investments		52,923	-
Net cash used in investing activities		(11,651,599)	(6,022,877)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		27,720,000	-
Payments for share issue and listing expenses		(1,718,683)	-
Drawdown/(Repayment) of revolving credits		1,480,000	(2,500,000)
Payment of hire purchase and finance lease liabilities		(6,032,439)	(5,426,973)
Interest paid		(434,631)	(549,516)
Net cash generated from/(used in) financing activities		21,014,247	(8,476,489)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**25,421,798**	**9,554,043**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**36,764,244**	**27,205,536**
EFFECT OF EXCHANGE RATE CHANGES		**799**	**4,665**
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**62,186,841**	**36,764,244**
Represented by:			
Fixed deposits with a licensed bank		41,172,746	13,635,143
Cash and bank balances		21,014,095	23,176,946
Bank overdraft		-	(47,845)
		62,186,841	**36,764,244**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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BALANCE SHEET
31 DECEMBER 2007

	Note	2007 RM	2006 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	54,792,455	47,764,162
Investment in subsidiary companies	5	3,130,002	3,130,002
Investment in associated companies	6	5,789,000	5,789,000
Other investments	7	1,200,504	1,200,504
Prepaid lease payments	8	6,087,392	6,451,463
Total non-current assets		**70,999,353**	**64,335,131**
Current assets			
Trade receivables	10	64,041,980	59,078,984
Other receivables, deposits and prepayments	11	4,226,992	3,828,600
Amounts owing by subsidiary companies	12	1,108,508	394,745
Amounts owing by associated companies	13	983,735	631,526
Fixed deposits with a licensed bank	14	41,172,746	13,635,143
Cash and bank balances	15	19,536,590	22,068,518
		131,070,551	99,637,516
Non-current assets classified as held for sale	16	4,104,762	3,462,596
Total current assets		**135,175,313**	**103,100,112**
TOTAL ASSETS		**206,174,666**	**167,435,243**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	100,000,000	45,000,000
Share premium	18	801,317	-
Unappropriated profit		45,850,933	64,686,828
Total equity		**146,652,250**	**109,686,828**
Non-current liabilities			
Hire purchase and finance lease liabilities	19	1,776,846	4,094,741
Deferred tax liabilities	20	2,220,000	2,048,000
Total non-current liabilities		3,996,846	6,142,741
Current liabilities			
Trade payables	21	24,132,816	24,534,787
Other payables, deposits and accruals	22	11,277,498	8,723,978
Amounts owing to subsidiary companies	12	11,711,817	9,069,066
Amounts owing to associated companies	13	1,598,850	2,448,850
Hire purchase and finance lease liabilities	19	3,694,643	5,556,552
Revolving credits (unsecured)	23	1,480,000	-
Current tax liabilities		1,629,946	1,272,441
Total current liabilities		**55,525,570**	**51,605,674**
Total liabilities		**59,522,416**	**57,748,415**
TOTAL EQUITY AND LIABILITIES		**206,174,666**	**167,435,243**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Note	2007 RM	2006 RM
Revenue	25	327,655,240	352,451,738
Cost of sales		(264,345,829)	(294,168,810)
Gross profit		63,309,411	58,282,928
Other operating income		378,859	312,939
General and administrative expenses		(49,268,463)	(44,725,254)
Profit from operations	26	14,419,807	13,870,613
Investment income	27	1,572,453	1,279,241
Finance costs	28	(434,631)	(549,516)
Profit before taxation		15,557,629	14,600,338
Taxation	29	(4,593,524)	(4,075,948)
Profit for the year		**10,964,105**	**10,524,390**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Share capital RM	Share premium RM	Unappropriated profit RM	Total equity RM
Balance at 1 January 2006	**45,000,000**	**-**	**54,162,438**	**99,162,438**
Profit for the year	-	-	10,524,390	10,524,390
Balance at 31 December 2006	**45,000,000**	**-**	**64,686,828**	**109,686,828**
Net expense recognised directly in equity				
- shares issue and listing expenses	-	(1,718,683)	-	(1,718,683)
Profit for the year	-	-	10,964,105	10,964,105
Total recognised (expense) / income for the year	-	(1,718,683)	10,964,105	9,245,422
Issue of ordinary shares				
- restricted bonus issue	1,109,900	-	(1,109,900)	-
- 62-for-100 bonus issue	28,690,100	-	(28,690,100)	-
- public issue	25,200,000	2,520,000	-	27,720,000
Balance at 31 December 2007	**100,000,000**	**801,317**	**45,850,933**	**146,652,250**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		15,557,629	14,600,338
Adjustments for:			
Bad and doubtful debts		5,378	234,598
Depreciation		7,100,052	6,032,143
Gain on disposal of property, plant and equipment		(214,092)	(136,252)
Property, plant and equipment written off		2,676	-
Amortisation of prepaid lease payments		72,165	66,689
Interest income		(628,083)	(408,371)
Dividend income		(944,370)	(870,870)
Interest expense		434,631	549,516
Operating profit before working capital changes		21,385,986	20,067,791
Changes in receivables		(5,390,416)	(1,621,020)
Changes in payables		298,584	6,391,080
Cash generated from operations		16,294,154	24,837,851
Tax paid		(3,808,307)	(2,757,204)
Net cash generated from operating activities		12,485,847	22,080,647
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	31	(12,352,770)	(6,107,519)
Proceeds from disposal of property, plant and equipment	32	288,476	172,225
Additions to prepaid lease payments		(350,260)	(651,954)
Deposit paid for acquisition of leasehold land		(165,234)	-
Deposits received from disposal of long leasehold land		67,647	-
Acquisition of a new subsidiary company	33	-	(2)
Purchase of other investments		-	(45,000)
Advances to subsidiary companies		(528,380)	(8,766)
Advances to an associated company		(348,708)	(627,027)
Interest received		628,083	408,371
Dividends received from an associated company		635,735	627,027
Dividends received from other investments		52,923	-
Net cash used in investing activities		(12,072,488)	(6,232,645)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		27,720,000	-
Payment of share issue and listing expenses		(1,718,683)	-
Drawdown/(Repayment) of revolving credits		1,480,000	(2,500,000)
Advances from subsidiary companies		3,578,069	3,871,932
Payment of hire purchase and finance lease liabilities		(6,032,439)	(5,426,973)
Interest paid		(434,631)	(549,516)
Net cash generated from/(used in) financing activities		24,592,316	(4,604,557)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**25,005,675**	**11,243,445**
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**35,703,661**	**24,460,216**
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**60,709,336**	**35,703,661**
Represented by:			
Fixed deposits with a licensed bank		41,172,746	13,635,143
Cash and bank balances		19,536,590	22,068,518
		60,709,336	**35,703,661**

Notes to and forming part of the financial statements are set out on pages 48 to 85
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

1. *SIGNIFICANT ACCOUNTING POLICIES*

(a) Basis of preparation

The financial statements comply with applicable approved accounting standards for entities other than private entities, namely, Financial Reporting Standards ("FRSs"), issued by the Malaysian Accounting Standards Board and with the provision of the Companies Act, 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value and fair value. Estimates are used in measuring these values.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following revised FRSs which are relevant to the operations of the Group and the Company and effective for financial periods beginning on or after 1 October 2006:

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of *FRS 124* does not have significant financial impact on the Group and the Company.

The principal effects of the changes in accounting policies resulting from the adoption of *FRS 117* are discussed below:

FRS 117 - Leases

Prior to 1 January 2007, leasehold land was classified as financial lease and recognised as property within property, plant and equipment and stated at cost less accumulated amortisation and impairment losses, if any.

Upon the adoption of *FRS 117*, leasehold land is classified as operating lease and the unamortised carrying amounts for leasehold land are now classified as prepaid lease payments.

The prepaid lease payments are amortised on a straight-line basis over the remaining period of the leases, which is similar to the depreciation policy applied when the leasehold land were classified as property, plant and equipment.

The reclassification of leasehold land has been applied retrospectively, and accordingly, the comparative figures have been restated as disclosed in note 40 below. The reclassification has had no financial impact on the income statement of the Group and of the Company.

(c) New/Revised FRSs that are not yet effective

The Group and the Company have not adopted the following revised FRSs that have been issued and are relevant to their operations as they are only effective for financial periods beginning on or after 1 July 2007:

FRS 107 Cash Flow Statements
FRS 112 Income Taxes
FRS 118 Revenue
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The Group and the Company will apply these standards from the financial year beginning 1 January 2008.

The adoption of the above FRSs will not have any significant financial impact on the Group and the Company.

The Group and the Company have also not adopted *FRS 139 - Financial Instruments : Recognition and Measurement* as the effective date of which has not been announced by the Malaysian Accounting Standards Board.

(d) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of asset and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Depreciation of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis to write off their costs to their residual values over their estimated useful lives. Management estimates the useful life of these assets to be within 5 to 30 years.

The carrying amounts of the Group's and Company's property, plant and equipment as at 31 December 2007 were RM55,371,819 and RM54,792,455 (2006 : RM48,503,437 and RM47,764,162), respectively.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

(ii) *Allowance for doubtful debts*

The collectibility of receivables is assessed on an on going basis. An allowance for doubtful debts is made for any account considered to be doubtful of collection.

The carrying amounts of the Group's and Company's trade and other receivables as at 31 December 2007 were RM69,494,234 and RM70,361,215 (2006 : RM63,757,372 and RM63,933,855), respectively.

The allowance for doubtful debts is made based on a review of all outstanding accounts as at the balance sheet date. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial condition of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(iii) *Impairment of goodwill*

The Group determines whether goodwill is impaired at least once a year. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated.

Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The net carrying amount of the Group's goodwill as at 31 December 2007 was RM864,854 (2006 : RM864,854).

(iv) *Income taxes*

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and Company's net tax liabilities as at 31 December 2007 were RM4,097,202 and RM3,849,946 (2006 : RM3,627,175 and RM3,320,441), respectively.

(e) Subsidiary companies

A subsidiary company is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether the Company has the power to govern the financial and operating policies of another entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company disposed of is taken to the income statement.

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting polices for like transactions in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

All subsidiary companies are consolidated on the purchase method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Under the purchase method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets given, liabilities incurred or assumed and equity instruments issued at the date of exchange, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The excess of the acquisition cost over the fair values of the identifiable assets, liabilities, contingent liabilities acquired is retained in the balance sheet as goodwill, while the shortfall is immediately credited to the consolidated income statement. The goodwill is accounted for in accordance with the accounting policy set out in (l) below.

Minority interests represent the portion of the profit or loss and net assets of subsidiary companies not held by the Group.

(g) Associated companies

An associated company is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

In the Company's separate financial statements, investments in associated companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associated company disposed of is taken to the income statement.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, investment in associated companies are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associated companies.

The Group's share of net profits or losses and changes recognised directly in the equity of the associated companies are recognised in the consolidated income statement and consolidated statement of changes in equity, respectively.

An investment in an associated company is accounted for using the equity method from the date on which the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Premium relating to an associated company is included in the carrying value of the investment and it is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment in accordance with the accounting policy set out in (s)(ii) below.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss in the period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associated company diminishes by virtue of losses to zero, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company.

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

(h) Other investments

Other investments are stated at cost. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the investment disposed of is taken to the income statement.

(i) Property, plant and equipment

(i) *Measurement basis*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

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

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

(ii) *Depreciation*

Freehold land and capital work in progress are not depreciated while leasehold buildings are amortised on the straight-line basis over the remaining period of the lease.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

	%
Freehold building	3.3
Motor vehicles	14 - 20
Plant and machinery	10 - 20
Office equipment, furniture and fittings	5 - 15
Air conditioners, office renovation and pallets	10

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date.

(j) Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

(i) *Finance lease*

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

Property, plant and equipment acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and any impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; if not, the Group's incremental borrowing rate is used.

(ii) *Operating lease*

An operating lease is a lease other than a finance lease.

Operating lease income or operating lease rental expenses are credited or charged to the income statement on a straight-line basis over the period of the lease.

(k) Prepaid lease payments

Leasehold land that has an indefinite economic life with title that is not expected to pass to the Group and the Company by the end of the lease term is classified as operating lease. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments.

(i) *Measurement basis*

Prepaid lease payments are stated at cost less amounts amortised and impairment losses, if any.

(ii) *Amortisation*

The prepaid lease payments are amortised on a straight-line basis over the remaining period of the lease.

(l) Intangible asset - Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair values of the identifiable assets and liabilities of subsidiary companies at the date of acquisition.

Goodwill arising on the acquisition of subsidiary companies is presented separately in the balance sheet.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is tested for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost being the cost of purchase, is determined on the first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(n) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established. Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Known bad debts are written off and allowance is made for any receivables considered to be doubtful of collection.

(o) Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets (or disposal group) are available for immediate sale in its present condition and the sale is highly probable subject only to terms that are usual and customary.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amounts and fair value less costs to sell. Immediately before the initial classification of the assets as held for sale, the carrying amounts of the assets (all the assets and liabilities of the disposal group) are measured in accordance with applicable FRSs.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the income statement to the extent of the cumulative impairment loss that has been recognised previously.

(p) Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess, if any, of the nominal value of shares issued are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(q) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(r) Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be reliably measured, on the following bases:

(i) Revenue from freight forwarding, transportation and warehousing services are recognised in the income statement as and when services are rendered.

(ii) Truck rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

(iii) Agency commission is recognised as and when services are rendered.

(iv) Interest income is recognised on a time proportion basis.

(v) Dividend income is recognised when the right to receive payment is established.

(vi) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.

(vii) Insurance agency commission income is recognised upon the execution or renewal of insurance policies.

(s) Impairment of assets

(i) *Goodwill*

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from synergies of the business combination.

An impairment loss is recognised in the income statement when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. Recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less costs to sell and its value in use.

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

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

(ii) *Property, plant and equipment, investment in subsidiary companies and associated companies*

Property, plant and equipment, investment in subsidiary companies and associated companies are assessed at each balance sheet date to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the income statement.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(t) Foreign currencies

(i) *Functional currency*

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(ii) *Transactions and balances in foreign currencies*

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the balance sheet date are translated at foreign exchange rates ruling at the date or at contracted rates if there are related or matching foreign currency forward contracts.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the income statement for the period.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in the income statement, any corresponding exchange gain or loss is recognised in the income statement.

(iii) *Translation of foreign operations*

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the balance sheet date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

(u) Employee benefits

(i) *Short-term employee benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) *Post-employment benefits*

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to the income statement in the period to which they relate.

The Company's foreign subsidiary company may make contributions to its country's statutory pension schemes which are recognised as an expense in the income statement as incurred.

(v) Borrowing costs

All borrowing costs are charged to the income statement in the period in which they are incurred. The interest component of hire purchase and finance lease payments is charged to the income statement over the hire purchase and finance lease period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase and finance lease contracts.

(w) Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax included in the determination of profit or loss for the financial year.

On the balance sheet, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is recognised for deductible temporary differences and unutilised tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

No deferred tax is recognised for temporary differences arising from the initial recognition of:

(i) goodwill, or

(iii) an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the balance sheet date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or a difference period, directly to equity.

(x) Cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(y) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial instruments recognised in the balance sheet

The Group's financial instruments which are recognised in the balance sheet comprise cash and cash equivalents, other investments, receivables, payables, revolving credits, hire purchase and finance lease liabilities and ordinary shares.

These financial instruments are recognised when a contractual relationship has been established. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant.

The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

Financial instruments not recognised in the balance sheet

The Group is a party to foreign currency forward contracts which are not recognised in the financial statements on inception. The objective of entering into these foreign currency forward contracts is to protect the Group against unfavourable exchange rate movements for purchases undertaken in foreign currencies. Gains or losses from changes in the fair value of forward contracts offset the corresponding losses or gains on the trade payables covered by the forward contracts.

(z) Segment reporting

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

(aa) Disclosure of fair value

Cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings

The carrying amounts of these financial instruments approximate fair values because of their short maturities.

Long term investments

The fair value of quoted investments is estimated based on quoted market prices.

For unquoted investments, a reasonable estimate of fair value is not practical due to the lack of comparable quoted market prices and available observable market data for valuation. Therefore, such investments are valued at cost subject to review for diminution in value.

Hire purchase and finance lease liabilities

The fair value of the Group's hire purchase and finance lease liabilities approximate their carrying amounts.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity and cash flow risks arising in the normal course of the Group's businesses.

The directors monitor the Group's financial position closely with an objective to minimise potential adverse effects on the financial performance of the Group. The directors review and agree on policies for managing each of these risks and they are summarised below:

Foreign currency exchange risk

The Group has exposure to foreign currency exchange risk as a result of transactions in foreign currencies.

The Group enters into foreign currency forward contracts in the normal course of business in order to limit its exposure to foreign currency fluctuations. These forward contracts are entered into with a licensed bank to cover the Japanese Yen-denominated purchases from the largest supplier of services to the Group, namely Yusen Air & Sea Service Co., Ltd. Forward contracts are not entered into for other assets and liabilities denominated in foreign currencies as the amounts involved are immaterial.

It is the Group's policy not to trade in foreign exchange forward contracts.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposures arise from the Group's fixed deposits, hire purchase and finance lease liabilities, revolving credits and bank overdrafts.

Surplus funds are placed with licensed banks, which generate interest income to the Group. The Group manages its interest rate risk by placing such balances on short tenures of three months or less.

The Group's policy is to borrow principally on a floating rate basis but to retain a proportion of fixed rate debts. The objective of a mix of fixed and floating rate borrowings is to reduce the impact of a rise in interest rate while enabling benefits to be enjoyed if interest rates fall. The Group has a policy to ensure that interest rates obtained are competitive. The Group does not generally hedge interest rate risk.

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position.

The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

Exposure to credit risk arising from sales made on deferred terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

The Group seeks to invest its surplus cash safely by depositing them with licensed financial institutions.

Liquidity and cash flow risks

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group seeks to maintain sufficient credit lines available to meet its liquidity requirements while ensuring an effective working capital management within the Group.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2007	Freehold land and building	Long leasehold buildings	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Capital work-in-progress	Total
Cost	RM	RM	RM	RM	RM	RM	RM	RM
At 1.1.2007	16,368,104	155,124	39,923,793	5,120,793	11,442,955	5,875,485	-	78,886,254
Additions	1,306,080	-	2,036,015	1,270,980	1,295,848	484,765	7,919,208	14,312,896
Disposals	-	-	(662,895)	-	(10,753)	(1,610)	-	(675,258)
Write-offs	-	-	-	-	(3,795)	-	-	(3,795)
Exchange differences	-	-	-	-	66	429	-	495
At 31.12.2007	17,674,184	155,124	41,296,913	6,391,773	12,724,321	6,359,069	7,919,208	92,520,592
Accumulated depreciation								
At 1.1.2007	1,097,234	31,025	17,850,762	4,280,605	5,461,495	1,661,696	-	30,382,817
Charge for the year	346,685	1,551	4,648,148	595,939	1,162,823	612,803	-	7,367,949
Disposals	-	-	(593,376)	-	(6,384)	(1,114)	-	(600,874)
Write-offs	-	-	-	-	(1,119)	-	-	(1,119)
Exchange differences	-	-	-	-	(14)	14	-	-
At 31.12.2007	1,443,919	32,576	21,905,534	4,876,544	6,616,801	2,273,399	-	37,148,773
Net book value								
At 31.12.2007	**16,230,265**	**122,548**	**19,391,379**	**1,515,229**	**6,107,520**	**4,085,670**	**7,919,208**	**55,371,819**

Group 2006	Freehold land and building	Long leasehold buildings	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Total
Cost	RM	RM	RM	RM	RM	RM	RM
At 1.1.2006	16,368,104	155,124	32,640,171	5,466,292	9,615,452	4,934,987	69,180,130
Additions	-	-	7,870,665	58,301	2,427,029	1,149,277	11,505,272
Disposals	-	-	(587,043)	(403,800)	(43,095)	-	(1,033,938)
Write-offs	-	-	-	-	(557,167)	(208,779)	(765,946)
Exchange differences	-	-	-	-	736	-	736
At 31.12.2006	16,368,104	155,124	39,923,793	5,120,793	11,442,955	5,875,485	78,886,254
Accumulated depreciation							
At 1.1.2006	758,222	29,473	14,425,388	4,225,275	5,008,750	1,362,226	25,809,334
Charge for the year	339,012	1,552	4,012,417	452,472	1,023,310	508,249	6,337,012
Disposals	-	-	(587,043)	(397,142)	(13,780)	-	(997,965)
Write-offs	-	-	-	-	(557,167)	(208,779)	(765,946)
Exchange differences	-	-	-	-	382	-	382
At 31.12.2006	1,097,234	31,025	17,850,762	4,280,605	5,461,495	1,661,696	30,382,817
Net book value							
At 31.12.2006	**15,270,870**	**124,099**	**22,073,031**	**840,188**	**5,981,460**	**4,213,789**	**48,503,437**

Company 2007	Freehold land and building	Long leasehold buildings	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Capital work-in-progress	Total
Cost	RM	RM	RM	RM	RM	RM	RM	RM
At 1.1.2007	16,368,104	155,124	32,212,365	5,114,163	11,428,759	5,776,325	-	71,054,840
Additions	1,306,080	-	2,036,015	1,270,980	1,274,902	398,220	7,919,208	14,205,405
Disposals	-	-	(662,895)	-	(10,753)	(1,610)	-	(675,258)
Write-offs	-	-	-	-	(3,795)	-	-	(3,795)
At 31.12.2007	17,674,184	155,124	33,585,485	6,385,143	12,689,113	6,172,935	7,919,208	84,581,192
Accumulated depreciation								
At 1.1.2007	1,097,234	31,025	10,795,714	4,277,051	5,453,395	1,636,259	-	23,290,678
Charge for the year	346,685	1,551	4,397,324	594,613	1,159,877	600,002	-	7,100,052
Disposals	-	-	(593,376)	-	(6,384)	(1,114)	-	(600,874)
Write-offs	-	-	-	-	(1,119)	-	-	(1,119)
At 31.12.2007	1,443,919	32,576	14,599,662	4,871,664	6,605,769	2,235,147	-	29,788,737
Net book value								
At 31.12.2007	**16,230,265**	**122,548**	**18,985,823**	**1,513,479**	**6,083,344**	**3,937,788**	**7,919,208**	**54,792,455**

Company 2006	Freehold land and building	Long leasehold buildings	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Total
Cost	RM	RM	RM	RM	RM	RM	RM
At 1.1.2006	16,368,104	155,124	24,475,048	5,459,662	9,601,992	4,835,827	60,895,757
Additions	-	-	8,029,665	58,301	2,427,029	1,149,277	11,664,272
Disposals	-	-	(292,348)	(403,800)	(43,095)	-	(739,243)
Write-offs	-	-	-	-	(557,167)	(208,779)	(765,946)
At 31.12.2006	16,368,104	155,124	32,212,365	5,114,163	11,428,759	5,776,325	71,054,840
Accumulated depreciation							
At 1.1.2006	758,222	29,473	7,367,163	4,223,046	5,003,142	1,346,705	18,727,751
Charge for the year	339,012	1,552	3,720,899	451,147	1,021,200	498,333	6,032,143
Disposals	-	-	(292,348)	(397,142)	(13,780)	-	(703,270)
Write-offs	-	-	-	-	(557,167)	(208,779)	(765,946)
At 31.12.2006	1,097,234	31,025	10,795,714	4,277,051	5,453,395	1,636,259	23,290,678
Net book value							
At 31.12.2006	**15,270,870**	**124,099**	**21,416,651**	**837,112**	**5,975,364**	**4,140,066**	**47,764,162**

Included in property, plant and equipment are assets acquired under unexpired hire purchase and finance lease arrangements with net book values as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Motor vehicles	11,088,459	14,260,154	11,088,459	14,260,154
Plant and machinery	822,846	1,253,568	822,846	1,253,568
Office equipment, furniture and fittings	8,279	56,481	8,279	56,481
	11,919,584	**15,570,203**	**11,919,584**	**15,570,203**

Included in property, plant and equipment are motor vehicles which are registered in the name of third parties with a net book value of RM243,974 (2006 : RM1,067,992).

4. GOODWILL

	2007	2006
	RM	RM
At 1 January	864,854	960,948
Effect of adopting FRS 3- Business Combinations	-	(96,094)
At 31 December	864,854	864,854
Accumulated amortisation		
At 1 January	-	96,094
Effect of adopting FRS 3 - Business Combinations	-	(96,094)
At 31 December	-	-
Net book value at 31 December	**864,854**	**864,854**

Impairment testing of goodwill

For the purpose of impairment testing, goodwill acquired in business combinations has been allocated to the Group's cash-generating unit ("CGU") identified according to the business segment as follows:

	Group	
	2007	2006
	RM	RM
Land division	864,854	864,854

Recoverable amounts based on value in use

The recoverable amounts are determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in the value-in-use calculations are as follows:

Gross margin	-	42.65%
Growth rate	-	5.00%
Discount rate	-	6.45%
Risk free rate	-	6.00%

The following describes each key assumption on which the management has based its cash flow projections to undertake impairment for goodwill:

(i) Budgeted gross margin

The budgeted gross profit margin is based on the margin achieved in the year immediately before the budgeted year.

(ii) Growth rate

The weighted average growth rates used are based on the long-term average growth rate for the CGU

(iii) Discount rate

The discount rate used is pre-tax and reflect specific risks relating to the CGU.

(iv) Risk free rate

The risk free rate is based on the yield on a 10-year Malaysian government securities rate at the beginning of the budgeted year.

Sensitivity to changes in assumptions

In assessing the value in use, the management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying value to materially exceed their recoverable amounts.

5. INVESTMENT IN SUBSIDIARY COMPANIES

	2007 RM	2006 RM
Unquoted shares at cost	3,130,002	3,130,002

The subsidiary companies are as follows:

	Equity interest 2007 %	 2006 %	Country of incorporation	Principal activities
Baik Sepakat Sdn Bhd	100.00	100.00	Malaysia	Truck rental and insurance agent
Tunas Cergas Logistik Sdn Bhd	100.00	100.00	Malaysia	Truck rental, provision of truck repair and maintenance and provision of logistic related services
Emulsi Teknik Sdn Bhd	100.00	100.00	Malaysia	Truck rental
Trans-Asia Shipping Pte Ltd*	100.00	100.00	Singapore	Forwarding, handling agents and freight forwarders
NYK Harimau Express* (Malaysia) Sdn Bhd	100.00	100.00	Malaysia	Dormant
Omega Saujana Sdn Bhd	51.22	51.22	Malaysia	Provision of services related to freight forwarding
Piala Kristal (M) Sdn Bhd	51.22	51.22	Malaysia	Provision of services related to freight forwarding

* = Not audited by Moores Rowland

6. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Unquoted shares at cost	5,789,000	5,789,000	5,789,000	5,789,000
Group's share of post-acquisition reserves and retained profits less losses	3,309,752	3,281,879	-	-
	9,098,752	**9,070,879**	**5,789,000**	**5,789,000**

The associated companies, all incorporated in Malaysia, are as follows:

	Equity interest		
	2007	2006	
	%	%	Principal activities
Agate Electro Supplies Sdn Bhd ("AESSB")	50.00	50.00	Warehouse rental
Precious Fortunes Sdn Bhd ("PFSB")	32.50	32.50	Warehouse rental

The summarised financial information of the associated companies are as follows:

	2007	2006
	RM	RM
Assets and liabilities		
Total assets	25,957,258	27,683,734
Total liabilities	5,031,751	6,859,207
Results		
Revenue	2,972,000	4,332,000
Profit for the year	**1,372,450**	**1,886,755**

The financial year of the associated companies end on 31 December. For the purpose of applying the equity method of accounting, audited financial statements made up to the end of the financial year have been used.

7. OTHER INVESTMENTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Shares quoted in Malaysia at cost	33,400	33,400	33,400	33,400
Unquoted shares at cost	367,700	367,700	367,700	367,700
Transferable corporate club memberships at cost	819,403	819,403	819,403	819,403
	1,220,503	1,220,503	1,220,503	1,220,503
Diminution in value of unquoted shares	(19,999)	(19,999)	(19,999)	(19,999)
	1,200,504	1,200,504	1,200,504	1,200,504
Market value of shares quoted in Malaysia	**17,140**	**11,230**	**17,140**	**11,230**

8. PREPAID LEASE PAYMENTS

Long leasehold land	Group		Company	
	2007	2006	2007	2006
Cost	RM	RM	RM	RM
At 1 January	6,631,111	9,441,753	6,631,111	9,441,753
Additions	350,260	651,954	350,260	651,954
Transfer to assets held for sale	(651,954)	(3,462,596)	(651,954)	(3,462,596)
At 31 December	6,329,417	6,631,111	6,329,417	6,631,111
Accumulated depreciation				
At 1 January	179,648	112,959	179,648	112,959
Amortisation for the year	72,165	66,689	72,165	66,689
Transfer to assets held for sale	(9,788)	-	(9,788)	-
At 31 December	242,025	179,648	242,025	179,648
Carrying amount				
At 31 December	**6,087,392**	**6,451,463**	**6,087,392**	**6,451,463**

The title deeds to certain leasehold land included above at a carrying amount of RM6,011,194 (2006 : RM6,374,299) have yet to be transferred or issue in the name of the Company.

9. INVENTORIES

Inventories represent parts and consumables at cost.

10. TRADE RECEIVABLES

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Gross trade receivables	65,871,374	60,835,210	65,717,929	60,754,933
Allowance for doubtful debts	(1,675,949)	(1,675,949)	(1,675,949)	(1,675,949)
	64,195,425	**59,159,261**	**64,041,980**	**59,078,984**

Included in trade receivables are amounts owing by:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Substantial shareholders	1,987,565	2,981,023	1,987,565	2,981,023

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

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	56,793,273	56,898,260	56,739,996	56,850,252
- United States Dollar ("USD")	7,838,009	2,260,044	7,838,009	2,260,044
- Singapore Dollar ("SGD")	547,186	778,924	447,018	746,655
- Thai Baht ("Baht")	684,728	893,717	684,728	893,717
- Euro	8,178	4,265	8,178	4,265
	65,871,374	**60,835,210**	**65,717,929**	**60,754,933**

Normal credit terms range from 30 to 60 days. For long outstanding customers and related parties, the credit terms may be extended to 90 days based on the discretion of the management. The Group's and the Company's historical experience in collection of accounts receivable fall within the recorded allowances. Due to these factors, management believes no additional credit risk beyond amounts provided for collection losses is inherent in the Group's and the Company's trade receivables.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Deposit paid for acquisition of leasehold land	165,234	-	165,234	-
Other sundry receivables, deposits and prepayments	4,149,840	3,966,585	4,061,758	3,828,600
	4,315,074	**3,966,585**	**4,226,992**	**3,828,600**

The currency exposure profile of other receivables, deposits and prepayments is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	4,299,628	3,920,342	4,226,992	3,828,600
- SGD	15,446	46,243	-	-
	4,315,074	**3,966,585**	**4,226,992**	**3,828,600**

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	2007	2006
	RM	RM
Trade accounts	416,282	230,899
Non-interest bearing advances	692,226	163,846
	1,108,508	**394,745**

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

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

The amounts owing to subsidiary companies comprise:

	2007	2006
	RM	RM
Trade accounts	2,011,812	2,947,130
Non-interest bearing advances	9,700,005	6,121,936
	11,711,817	**9,069,066**

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

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

13. *AMOUNTS OWING BY/TO ASSOCIATED COMPANIES*

The amounts owing by associated companies comprise:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Trade accounts	8,000	4,499	8,000	4,499
Non-interest bearing advances	975,735	627,027	975,735	627,027
	983,735	**631,526**	**983,735**	**631,526**

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

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

The amounts owing to associated companies represent trade accounts and are expected to be settled within the normal credit periods.

14. *FIXED DEPOSITS WITH A LICENSED BANK*

The effective interest rates of the Group's and of the Company's deposits range from 2.30% to 4.50% (2006 : 2.00% to 3.20%). All the deposits have maturity terms of three months or less.

The currency exposure profile of fixed deposits is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	39,644,628	12,618,743	39,644,628	12,618,743
- USD	1,528,118	1,016,400	1,528,118	1,016,400
	41,172,746	**13,635,143**	**41,172,746**	**13,635,143**

15. *CASH AND BANK BALANCES*

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

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	19,472,044	19,652,089	18,229,979	18,584,743
- USD	894,269	812,543	894,269	812,543
- SGD	646,349	860,574	410,909	819,492
- Baht	1,433	1,851,740	1,433	1,851,740
	21,014,095	**23,176,946**	**19,536,590**	**22,068,518**

16. *NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE*

On 26 May 2004, the Company entered into a conditional Sale and Purchase Agreement to dispose of a piece of long leasehold land at a carrying amount of RM3,462,596 for a cash consideration of RM3,923,696. The disposal is expecting to complete by end of year 2008.

On 19 July 2007, the Company entered into another conditional Sale and Purchase Agreement to dispose of two pieces of long leasehold land at a carrying amount of RM642,166 for a cash consideration of RM676,466. The disposal is expecting to complete by end of 2008.

These assets have been classified as held for sale and are presented separately in the balance sheet.

Since the fair values of the disposal assets less costs to sale are expected to exceed their net carrying amount, no impairment loss is recognised.

The assets held for sale as at 31 December 2007 are three pieces of leasehold land at carrying amounts totaling RM4,104,762.

The title deeds to the leasehold land included above at carrying amounts totaling RM4,104,762 (2006 : 3,462,596) have yet to be transferred or issued in the name of the Company.

17. *SHARE CAPITAL*

	2007		2006	
	Number of shares	RM	Number of shares	RM
Authorised:				
Ordinary shares of RM1 each				
At 1 January	50,000,000	50,000,000	50,000,000	50,000,000
Created during the year	150,000,000	150,000,000	-	-
At 31 December	200,000,000	200,000,000	50,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January	45,000,000	45,000,000	45,000,000	45,000,000
Issue of shares pursuant to				
- restricted bonus issue	1,109,900	1,109,900	-	-
- bonus issue of 62-for-100	28,690,100	28,690,100	-	-
- public issue	25,200,000	25,200,000	-	-
At 31 December	**100,000,000**	**100,000,000**	**45,000,000**	**45,000,000**

During the financial year, no option was granted to eligible employees pursuant to the ESOS.

The main features of the ESOS as set out in the By-Laws are as follows:

(a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.

(b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:

(i) shall have attained the age of eighteen (18) years by the Date of Offer;

(ii) must fall within such other categories and criteria that the ESOS Committee may from time to time at its absolute discretion;

(iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.

(c) The maximum number of Options to be offered to each eligible employee shall be at the discretion of the ESOS Committee. In exercising its discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each eligible employee, subject to the following:

(i) there should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the ESOS should be allocated, in aggregate, to executive directors and senior management.

(ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company. For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an eligible employee" or "persons connected with a director" shall have the same meaning given in relation to persons connected with a director or major shareholder.

(d) The price at which the grantee is entitled to subscribe for each new share shall be based on five (5) days weighted average market price of the Shares in the Company preceding the Date of Offer, with a discount that does not exceed ten per cent (10%) or at the par value of the shares, whichever is higher.

(e) All new shares issued pursuant to the exercise of Options will upon such allotment and issuance rank in pari passu in all respects with the then existing issued and paid-up shares, save and except that they are not entitled to dividends, rights, allotments and/or other distributions whereby the entitlement date for such dividends, rights, allotments and/or other distributions is prior to the date of allotment of the new shares. The new shares will be subject to all the provisions of the Articles of Association of the Company in relation to transfer, transmission or otherwise.

(f) The number of shares under option or the exercise price or both, so far as the option remains unexercised, may be adjusted following any variation in the issued share capital of the Company by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital and other variation of capital of the Company.

(g) The ESOS shall be in force for a period of five (5) years from the effective date (yet to be determined) subject however to any extension or renewal for a further period of five (5) years if the Board deemed fit, upon the recommendation of the ESOS Committee. Save for any amendments and/or charges to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

18. SHARE PREMIUM

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
At beginning of the year	-	-	-	-
Arising from public issue	2,520,000	-	2,520,000	-
Share issue and listing expenses	(1,718,683)	-	(1,718,683)	-
At end of the year	**801,317**	**-**	**801,317**	**-**

19. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Total future instalments payable	5,679,734	10,140,945	5,679,734	10,140,945
Unexpired term charges	(208,245)	(489,652)	(208,245)	(489,652)
Total outstanding principal	5,471,489	9,651,293	5,471,489	9,651,293
Future instalments payable				
- not later than one year	3,875,302	5,916,611	3,875,302	5,916,611
- later than one year but not later than 5 years	1,804,432	4,224,334	1,804,432	4,224,334
Total future instalments payable	5,679,734	10,140,945	5,679,734	10,140,945
Outstanding principal				
- not later than one year *(included under current liabilities)*	3,694,643	5,556,552	3,694,643	5,556,552
- later than one year but not later than 5 years	1,776,846	4,094,741	1,776,846	4,094,741
Total outstanding principal	**5,471,489**	**9,651,293**	**5,471,489**	**9,651,293**

The effective interest rates of the hire purchase and finance lease liabilities for the Group and for the Company are between 4.84% to 7.00% (2006 : 5.11% to 7.77%) per annum.

20. DEFERRED TAX LIABILITIES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
At beginning of the year	2,211,844	2,103,936	2,048,000	1,811,000
Originating during the year	105,093	107,908	172,000	237,000
At end of the year	**2,316,937**	**2,211,844**	**2,220,000**	**2,048,000**

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

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	3,967,435	5,106,915	3,870,498	4,943,071
- allowance for doubtful debts	(418,987)	(435,747)	(418,987)	(435,747)
- unpaid qualifying expenditure of hire purchase and finance lease liabilities	(1,231,511)	(2,459,324)	(1,231,511)	(2,459,324)
	2,316,937	**2,211,844**	**2,220,000**	**2,048,000**

21. TRADE PAYABLES

Included in trade payables are amounts owing to:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Substantial shareholders	1,958,029	1,829,741	1,958,029	1,829,741
Director-related company	67,637	40,582	67,637	40,582

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	18,083,055	17,892,570	17,871,232	17,443,942
- USD	1,998,890	1,482,896	1,998,890	1,482,896
- Baht	919,771	2,150,243	919,771	2,150,243
- Japanese Yen ("JPY")	1,779,241	1,903,796	1,779,241	1,903,796
- SGD	1,104,504	739,416	1,006,593	730,076
- Euro	262,837	479,578	262,837	479,578
- Hong Kong Dollars ("HKD")	174,926	308,618	174,926	308,618
- Sterling Pound ("GBP")	12,086	23,788	12,086	23,788
- Others	107,240	11,850	107,240	11,850
	24,442,550	**24,992,755**	**24,132,816**	**24,534,787**

The credit terms extended normally range between 15 and 60 days. However, for related parties the credit terms may be extended to 90 days or more.

22. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Deposit received from disposal of a long leasehold land (see note 16)	460,016	392,369	460,016	392,369
Other sundry payables, deposits and accruals	11,684,270	9,000,253	10,817,482	8,331,609
	12,144,286	**9,392,622**	**11,277,498**	**8,723,978**

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

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
- RM	12,136,577	9,373,078	11,277,498	8,723,978
- SGD	7,709	19,544	-	-
	12,144,286	**9,392,622**	**11,277,498**	**8,723,978**

23. REVOLVING CREDITS

The revolving credits are unsecured and bear interest at 0.50% above the lender bank's cost of funds. The effective interest rate is 4.25% per annum.

24. BANK OVERDRAFT (unsecured)

The bank overdraft of the subsidiary company at 31 December 2006 is unsecured and bears effective interest at 6.50% per annum.

The Company also has a bank overdraft facility of RM1,600,000 which is secured by:

(a) Corporate guarantee from a substantial shareholder; and

(b) Letter of undertaking from a substantial shareholder.

The Company's bank overdraft facility was not utilised as at 31 December 2007 and 2006.

25. REVENUE

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Air freight forwarding	148,708,370	198,285,604	148,708,370	198,285,604
Custom broking	53,998,335	40,287,197	53,998,335	40,287,197
Warehousing	36,243,065	27,932,944	36,243,065	27,932,944
Container haulage	12,796,280	8,825,899	12,796,280	8,825,899
Trucking	47,961,326	49,890,779	45,772,235	47,487,595
Sea freight forwarding	22,983,727	17,081,390	22,983,727	17,081,390
Automobile related services	6,090,683	12,551,109	6,090,683	12,551,109
International buyer consolidation services	1,062,545	-	1,062,545	-
	329,844,331	**354,854,922**	**327,655,240**	**352,451,738**

26. PROFIT FROM OPERATIONS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Profit from operations is stated after charging:				
Amortisation of prepaid lease payments	72,165	66,689	72,165	66,689
Allowance for doubtful debts	-	174,955	-	174,955
Auditors' remuneration				
- statutory audit	53,913	54,046	33,000	33,000
- special audit	41,300	18,500	40,800	18,000
- underprovision in prior year	8,913	-	-	-
Bad debts written off	5,378	59,643	5,378	59,643
Depreciation	7,367,949	6,337,012	7,100,052	6,032,143
Directors' remuneration				
- fees	69,000	-	69,000	-
- other emoluments	2,038,351	1,438,153	1,727,054	1,110,110
Goodwill on acquisition written off	-	8,201	-	-
Property, plant and equipment written off	2,676	-	2,676	-
Realised loss on foreign exchange	927,913	-	927,913	-

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Operating leases				
- minimum lease payments for				
- land and buildings	7,397,212	9,001,676	7,137,717	8,734,476
- trucks	1,413,014	2,036,139	2,908,698	3,579,111
- forklifts	713,676	560,761	693,353	532,829
- office equipment	539,030	953,339	539,030	946,199
and crediting:				
Bad debts recovered	19,289	-	19,289	-
Gain on disposal of property, plant and equipment	214,092	151,252	214,092	136,252
Realised gain on foreign exchange	-	106,404	-	106,404
Operating lease income from				
- land and buildings	8,400	28,400	4,200	24,200
- trucks	-	-	607,572	507,567

27. INVESTMENT INCOME

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Gross dividends from				
- an associated company	-	-	870,870	870,870
- other investments	73,500	-	73,500	-
Interest income	628,083	408,371	628,083	408,371
	701,583	408,371	1,572,453	1,279,241

28. FINANCE COSTS

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Interest paid and payable on				
- hire purchase	424,426	526,270	424,426	526,270
- finance lease	2,994	1,753	2,994	1,753
- revolving credits	7,211	21,493	7,211	21,493
	434,631	549,516	434,631	549,516

29. TAXATION

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Malaysian taxation based on results for the year				
- current	5,147,665	4,514,957	4,500,000	3,890,000
- deferred	315,137	288,908	382,000	418,000
	5,462,802	4,803,865	4,882,000	4,308,000
Overprovision in prior years				
- current	(97,891)	(50,754)	(78,476)	(51,052)
- deferred	(210,044)	(181,000)	(210,000)	(181,000)
	5,154,867	**4,572,111**	**4,593,524**	**4,075,948**

The statutory tax rate applicable to the Company was reduced from 28% in 2006 to 27% in 2007.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Accounting profit	17,670,106	16,140,173	15,557,629	14,600,338
Taxation at applicable statutory tax rate	4,690,082	4,435,377	4,200,560	4,088,095
Tax effects arising from				
- non-taxable income	(15,786)	(17,465)	(15,786)	(17,465)
- non-deductible expenses	832,938	401,082	804,154	394,907
Originating of deferred tax assets not recognised	53,237	194,184	-	-
Effect of different tax rate in another country	7,965	(39,891)	-	-
Effect of change in future tax rate	(105,634)	(169,422)	(106,928)	(157,537)
Overprovision in prior years	(307,935)	(231,754)	(288,476)	(232,052)
	5,154,867	**4,572,111**	**4,593,524**	**4,075,948**

Subject to agreement with the Inland Revenue Board, based on estimated tax credits available and the prevailing tax rate applicable to dividends and the balance on the exempt account, the entire unappropriated profit of the Company is available for distribution by way of dividends.

The following temporary differences exist at the end of the financial year the deferred tax benefits of which have not been recognised in the financial statements:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Unabsorbed tax losses	1,063,533	692,383	-	-

30. BASIC EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to shareholders of the Company of RM13,157,310 (2006 : RM12,380,949) by the weighted average number of shares in issue of 75,007,123 (2006 : 74,800,000). The weighted average number of shares in issue is calculated as follows:

	2007 RM	2006 RM
Number of ordinary shares at beginning of the year	45,000,000	45,000,000
Effect of shares issued pursuant to		
- bonus issue	29,800,000	29,800,000
- public issue	207,123	-
Weighted average number of ordinary shares	**75,007,123**	**74,800,000**

There was no dilution of earnings during the financial year arising from the ESOS implemented by the Company as no option was granted pursuant to the ESOS during the financial year.

31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Aggregate cost of property, plant and equipment acquired	14,312,896	11,505,272	14,205,405	11,664,272
Financed via hire purchase and finance lease	(1,852,635)	(5,556,753)	(1,852,635)	(5,556,753)
Total cash paid during the year	12,460,261	5,948,519	12,352,770	6,107,519

32. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Net book value of property, plant and equipment disposed off	74,384	35,973	74,384	35,973
Gain on disposal	214,092	151,252	214,092	136,252
Total proceeds receivables	288,476	187,225	288,476	172,225
Cash received in respect of disposal in prior year	-	27,000	-	-
Total cash received during the year	288,476	214,225	288,476	172,225

33. ACQUISITION OF SHARES IN A NEW SUBSIDIARY COMPANY

There was no new subsidiary company acquired during the financial year.

In 2006, the Group acquired a 100% equity interest in NYK Harimau Express (Malaysia) Sdn Bhd ("Harimau Express").

Details of the acquisition were as follows:

Name of subsidiary company	Purchase consideration RM	Groups' effective interest %	Effective acquisition date
Harimau Express	2	100	1 August 2006

Details of the assets, liabilities and net cash outflow arising from the acquisition of Harimau Express in 2006 were as follows:

	RM
Cash balance	2
Sundry payables and accruals	(8,201)
Net liabilities acquired	(8,199)
Goodwill on acquisition written off	8,201
Total purchase consideration	2
Less: Cash and cash equivalents acquired	(2)
Net cash outflow on acquisition during the financial year	-

The revenue and net loss for the year ended 31 December 2006 and its post acquisition contribution included in the consolidated income statement were as follows :

	RM
Revenue	
During the financial year	-
Pre-acquisition	-
Post-acquisition	-
Loss for the year	
During the financial year	(2,769)
Pre-acquisition	(1,138)
Post-acquisition	(1,631)

The net liabilities of the acquired subsidiary company included in the consolidated balance sheet at 31 December 2006 were as follows:

	RM
Cash balance	-
Sundry payables and accruals	(9,830)
Group's share of net liabilities	(9,830)

34. *EMPLOYEE BENEFITS EXPENSE*

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Employee benefits expense	36,802,269	33,992,892	31,230,851	28,504,463

Included in the employee benefits expense are EPF contributions amounting to RM2,813,353 (2006 : RM2,565,772) for the Group and RM2,415,824 (2006 : RM2,180,779) for the Company.

35. RELATED PARTY DISCLOSURES

(a) Significant related party transactions during the financial year were as follows:

	Transaction value			
	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Transactions with subsidiary companies				
Rental of trucks paid and payable to subsidiary companies	-	-	1,495,684	1,542,972
Labour charges paid and payable to subsidiary companies	-	-	4,903,629	4,821,856
Maintenance charges paid and payable to a subsidiary company	-	-	2,750,597	1,991,572
Handling fees paid and payable to a subsidiary company	-	-	710,362	656,277
Related logistic services paid to a subsidiary company	-	-	4,800	-
Labour charges received and receivable from a subsidiary company	-	-	50,170	159,332
Rental of premises received from a subsidiary company	-	-	4,200	4,200
Rental of trucks received and receivable from a subsidiary company	-	-	607,572	507,567
Purchase of property, plant and equipment from a subsidiary company	-	-	-	159,000
Transactions with associated companies				
Rental of premises paid to associated companies	1,808,600	3,168,600	1,808,600	3,168,600
Accounting fee received from associated companies	37,200	37,200	37,200	37,200
Transactions with substantial shareholders				
Sales to certain substantial shareholders	25,681,182	27,195,053	25,681,182	27,195,053
Purchases from substantial shareholders	15,783,813	15,181,486	15,783,813	15,181,486
Transaction with a company in which a director's immediate family member has interest				
Rental paid and payable	370,112	402,895	370,112	402,895

The future aggregate minimum lease payments under the non-cancellable operating lease contracted for as at the balance sheet date but no recognised as liabilities are as follows:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Amounts owing by:				
- subsidiary companies	-	-	416,282	230,899
- associated companies	8,000	4,499	8,000	4,499
- substantial shareholders	1,987,565	2,981,023	1,987,565	2,981,023
Amounts owing to:				
- subsidiary companies	-	-	2,011,812	2,947,130
- associated companies	1,598,850	2,448,850	1,598,850	2,448,850
- substantial shareholders	1,958,029	1,829,741	1,958,029	1,829,741
- a director-related company	67,637	40,582	67,637	40,582

All outstanding balances with related parties are expected to be settled within the normal credit period. None of the balances is secured.

(b) Key management personnel compensation

	Group		Company	
Directors	**2007**	**2006**	**2007**	**2006**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits				
- Remuneration	1,945,082	1,325,617	1,633,785	997,574
Post-employment benefits				
- EPF	162,269	112,536	162,269	112,536
	2,107,351	1,438,153	1,796,054	1,110,110
Other key management personnel				
Short-term employee benefits				
- Salary, bonus and allowances	1,683,361	2,031,733	1,683,361	2,031,733
Post-employment benefits				
- EPF	177,490	203,059	177,490	203,059
	1,860,851	2,234,792	1,860,851	2,234,792
Total compensation	**3,968,202**	**3,672,945**	**3,656,906**	**3,344,902**

36. *OPERATING LEASE COMMITMENTS*

The Group as lessee

The Group leases a number of land and buildings and warehouses from its associated companies, a company in which a director's immediate family member has interest and third parties under cancellable operating lease arrangement. These leases typically run for an initial period of 1 to 2 years with the option to renew after the expiry dates. None of the leases includes contingent rents. There are no restrictions placed upon the Group by entering into these leases.

The Group also leases an office cum warehouse under a non-cancellable operating lease arrangement. The future aggregate minimum lease payments under the non-cancellable operating lease contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Not later than one year	143,202	210,149	-	-
Later than one year but not later than 5 years	143,202	-	-	-
	286,404	**210,149**	**-**	**-**

The Group as lessor

The Group leases out a number of its motor vehicles under cancelable operating lease arrangement to a third party. The lease typically run for 2 years and 3 months with an option to renew for another 2 years and no contingent rents are charged.

37. OTHER COMMITMENTS

	Group		Company	
	2007	2006	2007	2006
	RM	RM	RM	RM
Authorised but not contracted for acquisition of leasehold land	1,487,130	-	1,487,130	-
Contracted and authorised acquisition of property, plant and equipment not provided for in the financial statements	514,792	-	514,792	-
	2,001,922	**-**	**2,001,922**	**-**

38. FINANCIAL INSTRUMENTS

(a) *Foreign currency exchange risk*

The foreign currency forward contracts outstanding as at 31 December are as follows:

	Amount to be paid		Average	<-- settlement period -->	
		equivalent	contractual	Within 1 year	2 to 5 years
	JPY	RM	rate	RM	RM
2007					
Trade payables	49,287,398	1,499,099	0.030	1,499,099	-
2006					
Trade payables	43,615,720	1,345,046	0.031	1,345,046	-

(b) *Credit risk*

At balance sheet date, the Group and the Company did not have any significant concentration of credit risk that may arise from exposure to a single debtor or group of debtors.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(c) *Fair value*

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM	RM	RM	RM
2007				
Other investments				
Shares quoted in Malaysia	33,400	17,140	33,400	17,140
Unquoted shares	347,701	*	347,701	*
Transferable corporate club memberships	819,403	*	819,403	*
2006				
Other investments				
Shares quoted in Malaysia	33,400	11,230	33,400	11,230
Unquoted shares	347,701	*	347,701	*
Transferable corporate club memberships	819,403	*	819,403	*

Certain quoted investments are carried at amounts in excess of their fair values. No further allowance for diminution in value has been recognised as the directors are of the opinion that the decline in value is temporary in nature.

* It is not practical to estimate the fair values of the unquoted shares and the club memberships due to lack of quoted market values and available observable market data. Such investments are valued at cost subject to review for impairment.

39. *SEGMENTAL ANALYSIS*

(a) Primary reporting format - business segment

All the operations of the Group are organised into six main segments:

(i) Air Division - Airfreight forwarding
(ii) Ocean Division - Custom broking, warehousing and container haulage
(iii) Land Division - Trucking
(iv) International Freight Division - Seafreight forwarding
(v) Auto Logistics Division - Automobile related services
(vi) International Network Solutions Division - International buyer consolidation services

2007	Air Division	Ocean Division	Land Division	International Freight Division	Auto Logistics Division	International Network Solutions Division	Consolidated
	RM	RM	RM	RM	RM	RM	RM
REVENUE							
External sales	148,708,370	103,037,680	47,961,326	22,983,727	6,090,683	1,062,545	329,844,331
RESULTS							
Segment results	5,203,792	8,027,672	4,291,139	1,884,362	(344,415)	40,601	19,103,151
Unallocated corporate expense							(1,699,997)
Profit from operations	-	-	-	-	-		17,403,154
Investment income	-	-	-	-	-		701,583
Share of associated companies' profits	-	663,608	-	-	-		663,608
Finance costs	-	-	-	-	-		(434,631)
Profit before taxation							18,333,714
Taxation							(5,154,867)
Profit for the year							**13,178,847**

2007	Air Division	Ocean Division	Land Division	International Freight Division	Auto Logistics Division	International Network Solutions Division	Consolidated
	RM	RM	RM	RM	RM	RM	RM
OTHER INFORMATION							
Segment assets	50,207,224	54,486,127	27,001,480	4,397,801	7,622,291	305,574	144,020,497
Investment in associated companies	-	9,098,752	-	-	-	-	9,098,752
Unallocated corporate assets	-	-	-	-	-	-	55,339,761
Current tax assets	-	-	-	-	-	-	16,619
Consolidated total assets							**208,475,629**
Segment liabilities	8,941,327	15,093,930	8,290,200	1,810,510	566,160	31,636	34,733,763
Borrowings	-	-	-	-	-	-	1,480,000
Unallocated corporate liabilities	-	-	-	-	-	-	8,923,412
Current and deferred tax liabilities	-	-	-	-	-	-	4,113,821
Consolidated total liabilities							**49,250,996**
Capital expenditure	1,303,497	4,678,743	3,678,820	10,050	3,678,495	235,225	
Amortisation and depreciation	908,589	3,585,754	1,881,221	27,117	157,695	11,262	
Other non-cash items	(29,942)	(742,252)	(60,943)	-	299	-	

2006	Air Division	Ocean Division	Land Division	International Freight Division	Auto Logistics Division	International Network Solutions Division	Consolidated
	RM	RM	RM	RM	RM	RM	RM
REVENUE							
External sales	198,285,604	77,046,040	49,890,779	17,081,390	12,551,109	-	354,854,922
RESULTS							
Segment results	8,527,959	2,399,019	3,944,645	2,023,008	658,273	-	17,552,904
Unallocated corporate expense	-	-	-	-	-	-	(1,271,586)
Profit from operations							16,281,318
Investment income	-	-	-	-	-	-	408,371
Share of associated companies' profits	-	842,665	-	-	-	-	842,665
Finance cost	-	-	-	-	-	-	(549,516)
Profit before taxation							16,982,838
Taxation							(4,572,111)
Profit for the year							**12,410,727**

2006	Air Division	Ocean Division	Land Division	International Freight Division	Auto Logistics Division	International Network Solutions Division	Consolidated
	RM	RM	RM	RM	RM	RM	RM
OTHER INFORMATION							
Segment assets	54,668,358	48,725,173	27,392,142	2,866,925	5,531,676	-	139,184,274
Investment in associated companies	-	9,070,879	-	-	-	-	9,070,879
Unallocated corporate assets	-	-	-	-	-	-	21,951,652
Consolidated total assets							**170,206,805**
Segment liabilities	11,706,760	17,352,470	8,657,100	1,627,815	1,135,728	-	40,479,873
Borrowings	-	-	-	-	-	-	47,845
Unallocated corporate liabilities	-	-	-	-	-	-	6,005,647
Current and deferred tax liabilities	-	-	-	-	-	-	3,627,175
Consolidated total liabilities							**50,160,540**
Capital expenditure	1,008,856	4,823,596	4,767,528	14,325	635,356	-	
Amortisation and depreciation	830,726	3,094,448	1,565,163	24,456	90,431	-	
Other non-cash items	22,834	(859,298)	123,946	-	-	-	

(b) Secondary reporting format - geographical segment

As the group's total logistics solutions activities cover destinations located throughout the world, the directors do not consider it meaningful allocate revenue and assets to specific geographical segments.

40. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with the adoption of *FRS 117* Leases during the financial year.

	Group		Company	
	As restated	As previously stated	As restated	As previously stated
	RM	RM	RM	RM
Balance sheet				
Property, plant and equipment	48,503,437	54,954,900	47,764,162	54,215,625
Prepaid lease payments	6,451,463	-	6,451,463	-
Income statement				
Depreciation of property, plant and equipment	6,337,012	6,403,701	6,032,143	6,098,832
Amortisation of prepaid lease payments	66,689	-	66,689	-

41. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007.

42. SUBSEQUENT EVENTS

(i) On 11 February 2008, the Company entered into a Share Sale Agreement to acquire 2 ordinary shares of RM1.00 each in Maya Kekal Sdn Bhd ("MKSB"), a company incorporated in Malaysia, representing the entire issued and paid-up share capital of MKSB, for a total cash consideration of RM2,506,065. The principle activity of MKSB is investment holding.

(ii) On 14 February 2008, the Company entered into a lease agreement with Honda Malaysia Sdn Bhd to provide land and infrastructure for its pre-delivery inspection process and storage of Honda's vehicles, spare parts and accessories at the Company's Bangi Pre-Delivery Inspection Centre.

(iii) On 19 February 2008, the Company entered into a Share Sale Agreement with a substantial shareholder of the Company to acquire 5,400,000 ordinary shares of RM1.00 each in an existing associated company, Precious Fortunes Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM5,737,000. As a result of the acquisition, the Group equity interest in Precious Fortunes Sdn Bhd increased from 32.5% to 100%.

(iv) On 17 March 2008, the Company entered into a Sale and Purchase Agreement to acquire a piece of vacant land for a total cash consideration of RM1,652,366.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 16 April 2008 by the board of directors.

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 35 to 85 have been drawn up:

(a) so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2007 and of their results and cash flows for the year then ended;

(b) in accordance with applicable MASB Approved Accounting Standards for Entities Other Than Private Entities and the provisions of the Companies Act, 1965.

Signed on behalf of the directors in accordance
with a directors' resolution dated 16 April 2008

LEE CHECK POH	AHMAD BIN ISMAIL
Director	Director

STATUTORY DECLARATION

I, Tan Kim Yong, being the person primarily responsible for the financial management of Trans-Asia Shipping Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 85 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at)
Kuala Lumpur in the Federal Territory)
)
this 16 April 2008.)
)
)
) TAN KIM YONG

Before me:

Commissioner for Oaths

LIST OF PROPERTIES

No.	Location	Description	Existing Use	Tenure of Land/Date of Expiry of Lease	Land Area/ Built Up Area (sq. m)	Approximate Age of Building	Date Acquired	Net Book Value At 31.12.2007 (RM'000)
1	Shah Alam Lot 2.25, 2.27 & 2.29, Jalan SU 7 Off Persiaran Tengku Ampuan Lion Industrial Park II, Section 26, Shah Alam Selangor	Industrial Land	Corporate Head Office, and Warehouse	Freehold	Land - 12,141 Built-up - 12,856	10 years	29 Dec 2003	14,932
2	Bandar Baru Bangi[1] PN 29929 Lot 46860 Bandar Baru Bangi, Ulu Langat, Selangor	Industrial Land	Vacant Land	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - Nil	NA	01 Jun 2004	5,790
3	Bandar Baru Bangi[2] PN 29930, Lot 46861, Bandar Baru Bangi Ulu Langat, Selangor	Industrial Land	Vacant Land	Leasehold 99 years expiring 19.08.2098	Land - 36,446 Built-up - Nil	NA	01 Jun 2004	3,463
4	Kinta Geran No. 38381 Lot No. 21402 Mukim Hulu Kinta Daerah Kinta, Perak	Industrial Land	Vacant Land	Freehold	Land - 9,864 Built-up - Nil	NA	01 Jun 2007	1,298
5	Melaka Tengah[3] PN 20009 Lot 4754 Mukim Cheng Daerah Melaka Tengah Melaka	Industrial Land	Vacant Land	Leasehold 99 years expiring 14.08.2096	Land - 2,555 Built-up - Nil	NA	01 Jul 2006	351
6	Melaka Tengah[3] PN 20038 Lot 4763 Mukim Cheng Daerah Melaka Tengah Melaka	Industrial Land	Vacant Land	Leasehold 99 years expiring 14.08.2096	Land - 1,999 Built-up - Nil	NA	01 Jul 2006	291
7	Bandar Baru Bangi No. 19, Jalan P/9A, Kawasan Perusahaan Seksyen 13, Bandar Baru Bangi Selangor	Industrial Land	Office and depot	Leasehold 99 years expiring 29.09.2086	Land - 465 Built-up - 195	17 years	01 Jan 1991	199
8	Bandar Baru Bangi HS(D) 109635 PT 61734 Seksyen 10, Bandar Baru Bangi, Ulu Langat, Selangor	Industrial Land	Vacant Land	Leasehold 99 years expiring 19.08.2098	Land - 450 Built-up - Nil	NA	09 Jun 2004	91

1. The property was subsequently developed and put in operation in 2008.
2. The property was disposed to a third party vide a Sale and Purchase Agreement dated 26 May 2004. As at the date of the Annual Report, the transaction has not been completed yet.
3. The property was disposed to a third party vide a Sale and Purchase Agreement dated 19 July 2007. As at the date of the Annual Report, the transaction has been completed.

ANALYSIS OF SHAREHOLDINGS
As at 16 April 2008

Authorised Capital	:	RM200,000,000.00
Issued and Fully Paid-up Capital	:	RM100,000,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	2	52	0.00
100 to 1,000 shares	577	558,000	0.56
1,001 to 10,000 shares	1455	6,323,948	6.32
10,001 to 100,000 shares	281	7,169,400	7.17
100,001 to less than 5% of issued shares	59	53,448,600	53.45
5% and above of issued shares	5	32,500,000	32.50
Total	**2,379**	**100,000,000**	**100.00**

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1. Kombinasi Restu (M) Sdn Bhd	6,500,000	6.50
2. Kombinasi Restu (M) Sdn Bhd	6,500,000	6.50
3. Kombinasi Restu (M) Sdn Bhd	6,500,000	6.50
4. Kombinasi Restu (M) Sdn Bhd	6,500,000	6.50
5. Kombinasi Restu (M) Sdn Bhd	6,500,000	6.50
6. Nippon Yusen Kabushiki Kaisha	3,000,000	3.00
7. NYK Logistics (Singapore) Pte Ltd	3,000,000	3.00
8. NYK Logistics (Singapore) Pte Ltd	3,000,000	3.00
9. Yusen Air & Sea Service Co Ltd	3,000,000	3.00
10. Yusen Air & Sea Service Co Ltd	3,000,000	3.00
11. Yusen Air & Sea Service Co Ltd	3,000,000	3.00
12. Hachiuma Steamship Co Ltd	3,000,000	3.00
13. NYK Logistics (Singapore) Pte Ltd	2,759,941	2.76
14. Kompas Wira Sdn Bhd	2,000,000	2.00
15. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
16. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
17. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
18. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
19. Real Fortune Portfolio Sdn Bhd	1,830,438	1.83
20. Kompas Wira Sdn Bhd	1,649,975	1.65
21. Hachiuma Steamship Co Ltd	1,379,971	1.38

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (cont')

Name of Shareholders	No. of Shares	%
22. Nippon Yusen Kabushiki Kaisha	1,379,970	1.38
23. Thosco Treatech Sdn Bhd	1,250,000	1.25
24. Yusen Air & Sea Service Co Ltd	1,219,931	1.22
25. Kombinasi Restu (M) Sdn Bhd	1,079,774	1.08
26. Lau Peng Kee @ Low Peng Pooi	1,038,000	1.04
27. Lau Peng Kee @ Low Peng Pooi	700,000	.0.70
28. Edwanee Cheah Bin Abdullah	501,000	0.50
29. Kam Lai Yong	428,900	0.43
30. Yap Soo Keong	376,000	0.38
Total	**79,093,900**	**79.09**

SUBSTANTIAL SHAREHOLDERS

The details of the substantial shareholders of our Company and their respective shareholdings in our Company are as follows: -

Name	Direct	%	Indirect	%
Kombinasi Restu (M) Sdn Bhd	33,579,774	33.58	-	-
Yusen Air & Sea Service Co Ltd	10,219,931	10.22	-	-
Real Fortune Portfolio Sdn Bhd	9,830,438	9.83	-	-
NYK Logistics (Singapore) Pte Ltd	8,759,941	8.76	-	-
Hachiuma Steamship Co Ltd	4,379,971	4.38	-	-
Nippon Yusen Kabushiki Kaisha	4,379,970	4.38	23,359,843[1]	23.36
Tan Sri Asmat Bin Kamaludin	-	-	37,229,749[2]	37.23
Lee Check Poh	-	-	9,830,438[3]	9.83
NYK Logistics (Japan) Co Ltd	-	-	8,759,941[4]	8.76

DIRECTORS' SHAREHOLDINGS

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

Name Of Director	Direct	%	Indirect	%
1. Tan Sri Asmat Bin Kamaludin	-	-	37,229,749[2]	37.23
2. Lee Check Poh	-	-	9,830,438[3]	9.83
3. Tan Hock Huat	60,000	0.06	-	-
4. Ahmad Bin Ismail	60,000	0.06	-	-
5. Raymond Cha Kar Siang	11,000	0.01	-	-
6 Kwong Hoi Meng	11,000	0.01	-	-
7. Raippan s/o Yagappan @ Raiappan Peter	11,000	0.01	-	-

1. Deemed interested by virtue of its subsidiary companies, NYK Logistics (Japan) Co Ltd, Yusen Air & Sea Service Co Ltd, NYK Logistics (Singapore) Pte Ltd, and Hachiuma Steamship Co Ltd's equity interest in our Company pursuant to Section 6A of the Act.
2. Deemed interested by virtue of his equity interest in Kombinasi Restu (M) Sdn Bhd and Kompas Wira Sdn Bhd pursuant to Section 6A of the Act.
3. Deemed interested by virtue of his equity interest in Real Fortune Portfolio Sdn Bhd pursuant to Section 6A of the Act.
4. Deemed interested by virtue of its subsidiary, NYK Logistics (Singapore) Pte Ltd's equity interest in our Company pursuant to Section 6A of the Act.

SUBSIDIARY AND ASSOCIATED COMPANIES

SUBSIDIARY COMPANIES

		Group Effective Interest % 2006	Group Effective Interest % 2007	
	Country	**2006**	**2007**	**Principal Activities**
1. Baik Sepakat Sdn Bhd	Malaysia	100	100	Truck rental and insurance agency services
2. Tunas Cergas Logistik Sdn Bhd	Malaysia	100	100	Truck rental, provision of truck repair and maintenance and provision of logistic related services
3. Emulsi Teknik Sdn Bhd	Malaysia	100	100	Truck rental
4. NYK Harimau Express (Malaysia) Sdn Bhd	Malaysia	100	100	Dormant
5. Piala Kristal (M) Sdn Bhd	Malaysia	100	100	Provision of services related to freight forwarding
6. Omega Saujana Sdn Bhd	Malaysia	100	100	Provision of services related to freight forwarding
7. Trans-Asia Shipping Pte Ltd	Singapore	100	100	Forwarding, handling agents and freight forwarder

ASSOCIATED COMPANIES

		Group Effective Interest %		
	Country	**2006**	**2007**	**Principal Activities**
1. Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Warehouse rental
2. Precious Fortunes Sdn Bhd	Malaysia	32.50	32.50	Warehouse rental

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Third Annual General Meeting of the Company will be held at Holiday Inn Glenmarie Kuala Lumpur, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 11 June 2008 at 3.00 p.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 and the Reports of Directors and Auditors thereon.	**Ordinary Resolution 1**
2. To re-elect the following Director who retires pursuant to Article 77 of the Company's Articles of Association:-	
2.1 Lee Check Poh	**Ordinary Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 83 of the Company's Articles of Association:-	
3.1 Hidenobu Owaki	**Ordinary Resolution 3**
3.2 Kimio Maki	**Ordinary Resolution 4**
3.3 Tan Hock Huat	**Ordinary Resolution 5**
3.4 Ahmad Bin Ismail	**Ordinary Resolution 6**
3.5 Raymond Cha Kar Siang	**Ordinary Resolution 7**
3.6 Kwong Hoi Meng	**Ordinary Resolution 8**
3.7 Raippan s/o Yagappan @ Raiappan Peter	**Ordinary Resolution 9**
4. To re-appoint Messrs Moores Rowland as the Auditors of the Company and authorise the Directors to determine their remuneration.	**Ordinary Resolution 10**
5. **PROPOSED SHAREHOLDERS' RATIFICATION FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: - "THAT all the recurrent related party transactions of a revenue or trading nature entered into prior to the date of this resolution by the Company and its subsidiaries ("TASCO Group") as stated in Section 2.3.2 of the Circular to Shareholders dated 20 May 2008, which is necessary for its day-to-day operations, be and is hereby approved and ratified on the basis that this transaction is entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company."	**Ordinary Resolution 11**
6. **PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: - "THAT approval be and is hereby given to TASCO Group to enter into and to give effect to specified recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 20 May 2008, provided that such arrangements and/or transactions which are necessary for the Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Shareholders' Mandate").	**Ordinary Resolution 12**

THAT the Proposed Shareholders' Mandate shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

THAT the estimates given on the recurrent related party transactions specified in Section 2.3.2 of the Circular to Shareholders dated 20 May 2008 being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures set out in Section 2.4 of the Circular and the aggregate value of the Recurrent Transactions be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Shareholders' Mandate."

7. **AUTHORITY TO ISSUE SHARES** — **Ordinary Resolution 13**

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

"THAT subject always to the Companies Act, 1965 ("the Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Act to issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes that the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being."

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

BY ORDER OF THE BOARD

SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya
20 May 2008

Notes:

(i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.

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

(iv) The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

(v) Explanatory Notes on Special Business:

Ordinary Resolution 11
Proposed Shareholders' Ratification for Recurrent Transactions

The Ordinary Resolution 11 proposed under item 5, if passed, will ratify the Recurrent Transactions entered into by the Company and its subsidiaries. Further information on the Proposed Shareholders' Ratification for Recurrent Related Party Transactions is set out in Section 2.3.2 of the Circular to Shareholders dated 20 May 2008, which is despatched together with the Company's Annual Report 2007.

Ordinary Resolution 12
Proposed Shareholders' Mandate for Recurrent Transactions

The Ordinary Resolution 12 proposed under item 6, if passed, will allow the Company and its subsidiaries to enter into Recurrent Transactions pursuant to Paragraph 10.09 of the Listing Requirements. Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions is set out in Section 2.3.2 of the Circular to Shareholders dated 20 May 2008, which is despatched together with the Company's Annual Report 2007.

Ordinary Resolution 13
Authority to Issue Shares

The proposed Ordinary Resolution 13, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. *PLACE, DATE AND TIME OF THE THIRTY-THIRD ANNUAL GENERAL MEETING*

The Thirty-Third Annual General Meeting of Trans-Asia Shipping Corporation Berhad will be held as follows:-

Place	:	Holiday Inn Glenmarie Kuala Lumpur, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan
Date	:	Wednesday, 11 June 2008
Time	:	3.00 pm

2. *DIRECTOR STANDING FOR RE-ELECTION AT THE THIRTY-THIRD ANNUAL GENERAL MEETING*

The Directors standing for re-election pursuant to the Company's Articles of Association:

Lee Check Poh	Article 77
Hidenobu Owaki	Article 83
Kimio Maki	Article 83
Tan Hock Huat	Article 83
Ahmad Bin Ismail	Article 83
Raymond Cha Kar Siang	Article 83
Kwong Hoi Meng	Article 83
Raippan s/o Yagappan @ Raiappan Peter	Article 83

The profile of the Directors standing for re-election is set out on pages 7 to 13 of the Annual Report.

3. *DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS*

There was no board meeting held from the listing date of the Company on the Main Board of Bursa Malaysia Securities Berhad on 28 December 2007 till the financial year ended 31 December 2007. The Company had subsequently covened board meetings on 20 February 2008 and 16 April 2008 and all nine (9) Directors were present in both meetings.

PROXY FORM

TASCO

TRANS-ASIA SHIPPING CORPORATION BERHAD (20218-T)

(Incorporated in Malaysia)

I/We ____ NRIC/Co. No.____________________
(Please Use Block Capitals)

of____
(Full Address)

being a member/members of **TRANS-ASIA SHIPPING CORPORATION BERHAD** hereby appoint ____________________

____
(Full Address)

of____
(Full Address)

or failing him/her,____
(Full Address)

of____
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Thirty-Third Annual General Meeting of the Company to be held at Holiday Inn Glenmarie Kuala Lumpur on Wednesday, 11 June 2008 at 3.00 p.m. and at any adjournment thereof.

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

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		
Ordinary Resolution 13		

Dated:

Number of shares held	

____
Signature/Common Seal of Shareholder (s)

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.

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

4. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

Stamp

The Company Secretary

Trans-Asia Shipping Corporation Berhad
(20218-T)

312, 3rd Floor Block C, Kelana Square
17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan.

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TASCO DOMESTIC NETWORK SERVICES

TASCO DOMESTIC NETWORK SERVICES

Operation Centre	Address	Contact Number	Contact Person
Central Region			
Corporate Head Office	Lot 2.25, 2.27 & 2.29, Jalan SU7 Persiaran Tengku Ampuan, Lion Industrial Park II, Section 26 40000 Shah Alam Selangor	Tel : 603-51018888 Fax : 603-51924678	Mr Tan Kim Yong kytan@tasco.com.my
Shah Alam Logistics Centre	Lot 2.25, 2.27 & 2.29, Jalan SU7 Persiaran Tengku Ampuan, Lion Industrial Park II, Section 26 40000 Shah Alam Selangor	Tel : 603-51018962 Fax : 603-51920081	Shoba Pillay A/P Gangadhran shoba_p@tasco.com.my
Shah Alam TFS	Lot 2.25, 2.27 & 2.29, Jalan SU7 Persiaran Tengku Ampuan, Lion Industrial Park II, Section 26, 40000 Shah Alam Selangor	Tel : 603-51018951 Fax : 603-51922300	En Mohd Rodzi Bin Abd Karim (Rudy) rod@tasco.com.my
Sungai Way Logistics Centre	No. 9, Jalan SS8/4, Sungai Way Industrial Free Trade Zone 47300 Petaling Jaya Selangor	Tel : 603-78749812 Fax : 603-78749807	Mr Michael Ng mike@tasco.com.my
Port Klang Logistics Centre	North Klang Straits Industrial Area Lot 22, Lengkungan Sultan Hishamuddin 42000 Port Klang Selangor	Tel : 603-31762499 Fax : 603-31762489 : 603-31762493	En Shawaludin Bin Dol din@tasco.com.my
Bangi Auto Logistics Centre	Lot 46860 (PT 61382) & Lot 46864 (PT 61734) Seksyen 10, 43650 Bandar Baru Bangi Selangor	Tel : 603-89254534	Mr Victor Lee victorlee@tasco.com.my
Bangi TFS	Lot 19 Jalan P/9A Kawasan Perusahaan Seksyen 13 43650 Bandar Baru Bangi Selangor	Tel : 603-89251678 : 603-89251677 Fax : 603-89251679 : 603-89251689	Mr Jagjeet Singh A/L Karam Singh jagjeet@tasco.com.my
North Port Logistics Centre	c/o Northport Distripark Sdn Bhd, Warehouse D2, Jalan Parang, Pelabuhan Utara 42000 Port Klang Selangor	Tel : 603-31766323 Fax : 603-31764762	Ms Looi Sook Meng sookmeng@tasco.com.my
Bangi Haulage Depot Office	Lot 524, PT 40842 Jalan P10/10 43650 Bandar Baru Bangi Selangor	Tel : 603-89265843 : 603-89201726 Fax : 603-89201671	En Abdul Rahimi Bin Ariffin rahimi@tasco.com.my
Vehicle Distribution Centre	North Klang Straits Industrial Estate Lot 12, Lengkungan Sultan Hishamuddin Kawasan 20, Mukim Kapar, 42000 Port Klang Selangor	Tel : 603-31769125 Fax : 603-31765527	Mr Victor Lee victorlee@tasco.com.my
MTV Office	Lot 1, Persiaran Tengku Ampuan, Section 21, Shah Alam Industrial Site 40300 Shah Alam Selangor	Tel : 603-55480135 Fax : 603-58913989	S. Ambigai A/P C. Selvarajan ambigai@tasco.com.my
Kuantan TFS	A-3 Jalan Gebeng 2/6 Pusat Perkhidmatan Gebeng 26080 Kuantan Pahang	Tel : 609-5836688 Fax : 609-5838999	En Haji Abdul Karim Bin Buyong abdkarim@tasco.com.my
KLIA AFS	Lot A-7 Malaysia Airlines Freight Forwarder Complex Southern Support Zone Kuala Lumpur International Airport 64000 KLIA Selangor	Tel : 603-87789999 Fax : 603-87872900 : 603-87872901	Mr Cheng Ah Lek alcheng@tasco.com.my

Operation Centre	Address	Contact Number	Contact Person
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Padang Besar TFS	Lot 2 Padang Besar Industrial Estate Jalan Kampung Kolam 02100 Padang Besar Perlis	Tel : 604-9492850 Fax : 604-9492845	En Johari Bin Abdul Halim tascopbz@tasco.com.my
Penang Prai Logistics Centre	Lot 247, Lorong Perusahaan 10 Prai Industrial Complex 13600 Prai Perlis	Tel : 604-3905519 Fax : 604-3905545 : 604-3972055	Mr Sung Boon Leong sung@tasco.com.my
Penang TFS	Lot 247, Lorong Perusahaan 10 Prai Industrial Complex 13600 Prai Pulau Pinang	Tel : 604-3905519 Fax : 604-3905545 : 604-3972055	Mr Sung Boon Leong sung@tasco.com.my
Penang AFS	49 & 51, Jalan Batu Maung Distriplex Free Commercial Zone Airfreight Forwarder Warehousing Cargo Complex 11960 Pulau Pinang	Tel : 604-6262612 Fax : 604-6266889	Mr Ong Thian Cheong tcong@tasco.com.my
Penang Office	2-6-13 & 2-6-14 Harbour Trade Centre No.2 Macallum Street Ghaut 10300 Pulau Pinang	Tel : 604-2614115 Fax : 604-2614081	Kamalambikai A/P Shanmugam kamala@tasco.com.my
Ipoh TFS	11A Jalan Perindustrian Silibin 1 Kawasan Perindustrian Ringan Silibin 30100 Ipoh Perak	Tel : 605-5266017 Fax : 605-5277845 : 605-5277846	Mr Loh Yeh Kuen loh@tasco.com.my
Southern Region			
Melaka TFS	No 7 Jalan IMJ4 Taman Industri Malim Jaya 75250 Malim Jaya Melaka	Tel : 606-3362100 Fax : 606-3361023	Mr Tay Kim Kway tay@tasco.com.my
MPT Office	No 5 Tanjung Agas Industrial Area 84000 Muar Johor	Tel : 606-9502475 Fax : 606-9516111	En Alias Bin Abdul Malek alias_malek@tasco.com.my
Pasir Gudang Logistics Centre	Lot 26 Jalan Cecair Kawasan Perindustrian Zon Bebas Lembaga Pelabuhan Johor 81707 Pasir Gudang Johor	Tel : 607-2527010 Fax : 607-2526997 : 607-2527273	En Abu Bakar Bin Juhari abubakar@tasco.com.my
Causeway Office	39L, 1st Floor, Jalan Ah Siang 80300 Johor Bharu Johor	Tel : 607-2211125 : 607-2211126 Fax : 607-2211128 : 607-2220130	Mr Prabagaran A/L Iyavoo praba@tasco.com.my
Senai TFS	Lot 5646 Jalan Seelong Mukim Senai, Daerah Kulai 81400 Johor Bahru Johor	Tel : 607-5988585 Fax : 607-5981200	En Abdul Jalil Bin Alias ajalil@tasco.com.my
Senai AFS	Lot No.C09 & CW9, Senai Cargo Centre Senai International Airport 81250 Johor Bahru Johor	Tel : 607-5987575 : 607-5981020 Fax : 607-5989500 : 607-5989700	T. Aoyama san t-aoyama@tasco.com.my
PTP Office	Unit 3.1, 3rd Floor, Block B, Wisma PTP Jalan Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor	Tel : 607-5071228 Fax : 607-5073228	Mr Prabagaran A/L Iyavoo praba@tasco.com.my
Singapore TFS	No. 31 Jurong Port Road #08-21, Jurong Logistics Hub 619115 Singapore	Tel : 02-62612066 Fax : 02-62612166	En Mohamad Jefry Bin Mohd Ali jefry@tasco.com.my
East Malaysia			
Kuching AFS	P5, SL1417, PL12, Jalan Setia Raja Muara Tabuan Light Industrial Park 93350 Kuching Sarawak	Tel : 082-235828 : 082-396442 Fax : 6082-369434	En Rambli Bin Hj Sahdan ramblikch@tasco.com.my
Kota Kinabalu TFS	Lot No D5, DBKK 03, Taman Industri Warisan Indah Lorong Indah Warisan Indah 2 88450 Inanam Kota Kinabalu	Tel : 088-434009 : 088-434042 : 088-434241 Fax : 088-434045	En Omar Bin Abbang omar_abbang@ tasco.com.my