



TASCO

Globally Dedicated, Locally Focused



annual report

08



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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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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 organisation.
- A highly trained and professional workforce.

Our Values

A set of previous unwritten principles that have been a part of our culture for over 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:

Integrity

誠意

Innovation

創意

Intensity

熱意

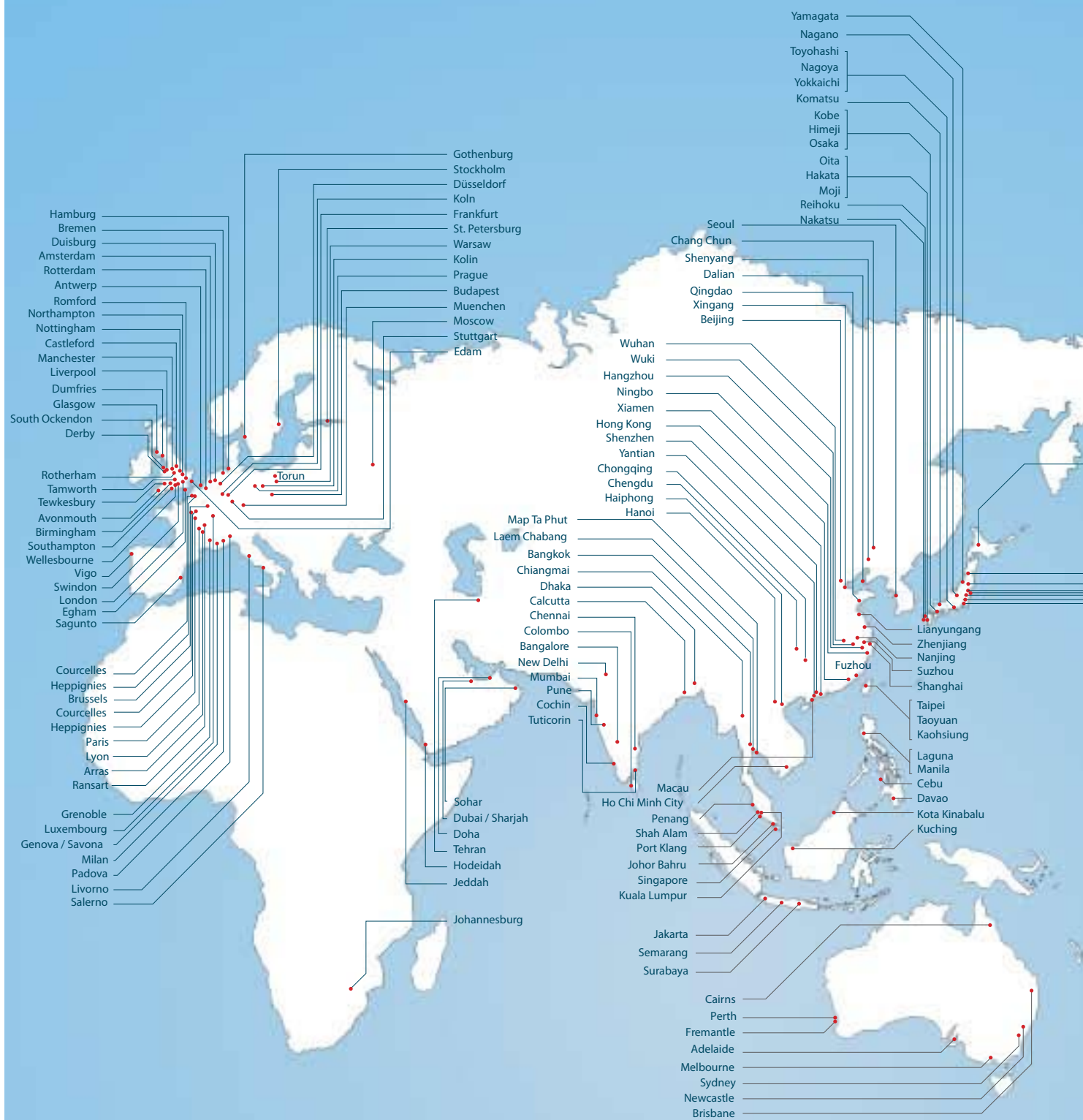
Be respectful and considerate to our customers and colleagues. Stay warm, cordial courteous and caring.

Continuously think of new ideas for improvement, even when conditions appear satisfactory. Remain open to betterment.

Carry through and accomplish our tasks. Never give up. Overcome challenges. Remain motivated.



A Growing Presence Of NYK



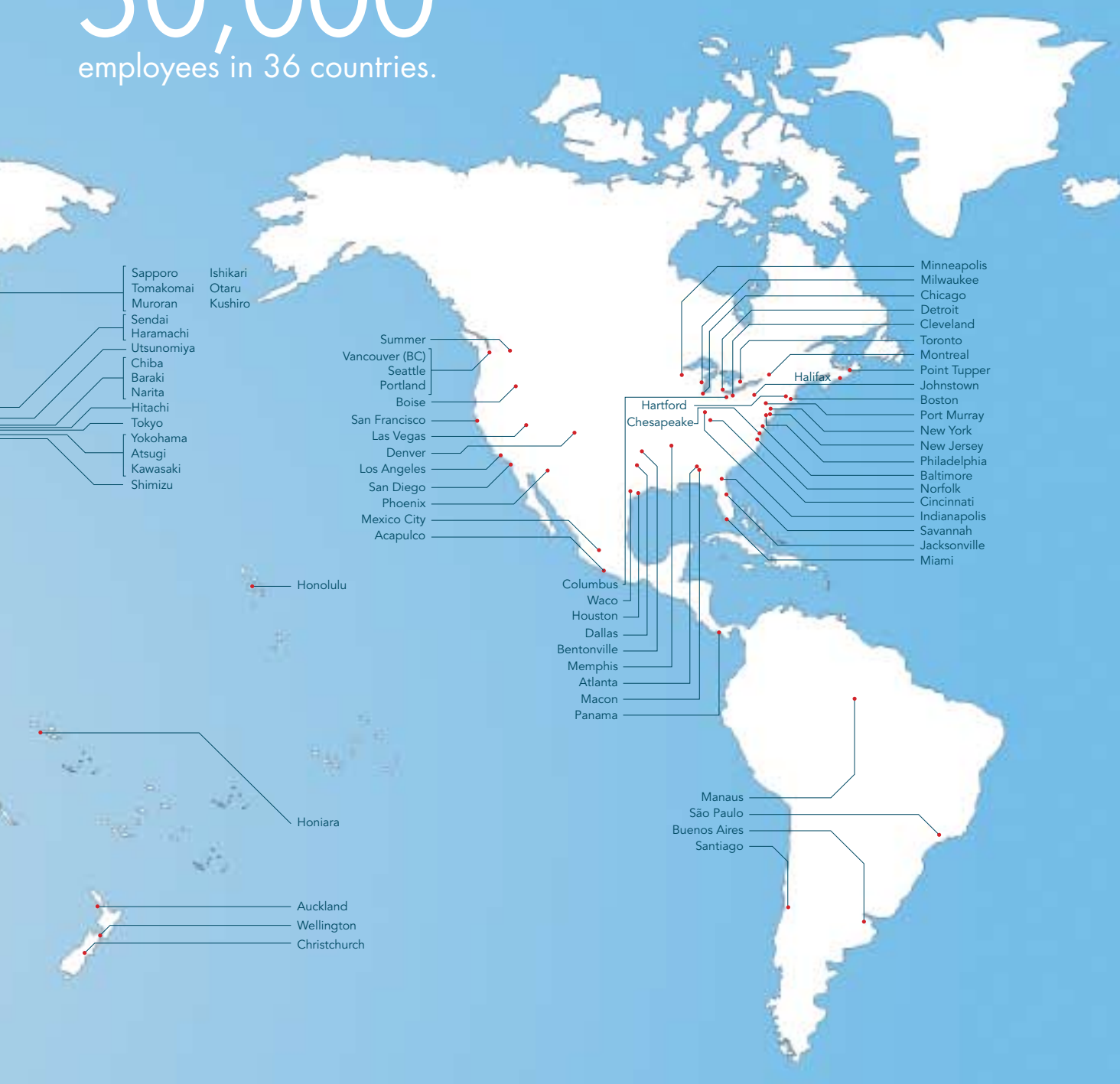
Across The World

More than

290 offices and



50,000
employees in 36 countries.



CONSOLIDATED FINANCIAL HIGHLIGHTS

Year ended 31 December	1998	1999	2000	2001
Result of operations (RM'000)				
Revenue	187,413	230,494	298,537	233,815
PBTAMI ¹	4,276	11,017	16,835	13,464
PATAMI ²	3,328	9,910	11,644	9,346
Capital expenditures	4,181	2,271	3,853	3,336
Financial position at year end (RM'000)				
Share capital (ordinary shares of RM1.00 each)	5,000	5,000	5,000	5,000
Total assets	69,851	84,464	105,358	93,543
Cash and bank balances	9,688	7,620	12,934	17,593
Total liabilities	38,311	43,013	52,264	31,102
Total borrowings	6,924	7,918	9,733	3,058
Shareholder equity	31,540	41,451	53,095	62,441
Amount per share (sen)				
Earnings per share ³	3.33	9.91	11.64	9.35
Ratios (%)				
Shareholder equity ratio	45.2	49.1	50.4	66.8
Return on equity	10.6	23.9	21.9	15.0
Return on assets	4.8	11.7	11.1	10.0
Current ratio	117.9	126.9	137.5	186.4
Gearing ratio	22.0	19.1	18.3	4.9

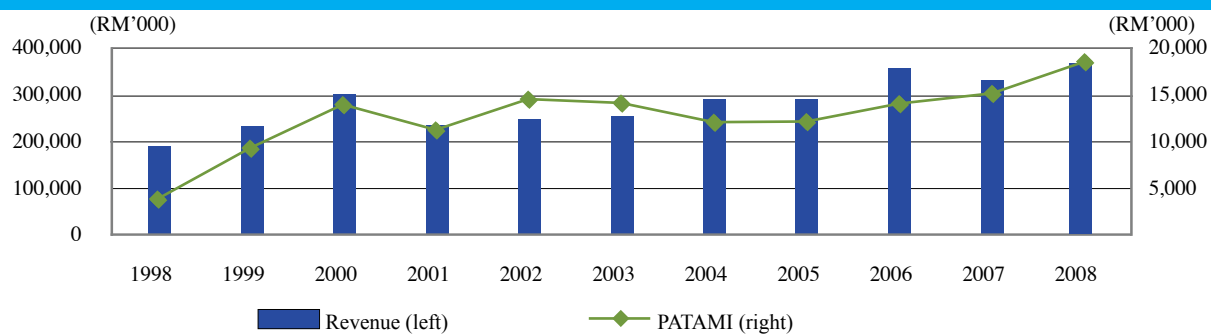
Notes:

1. Profit before taxation after minority interest.

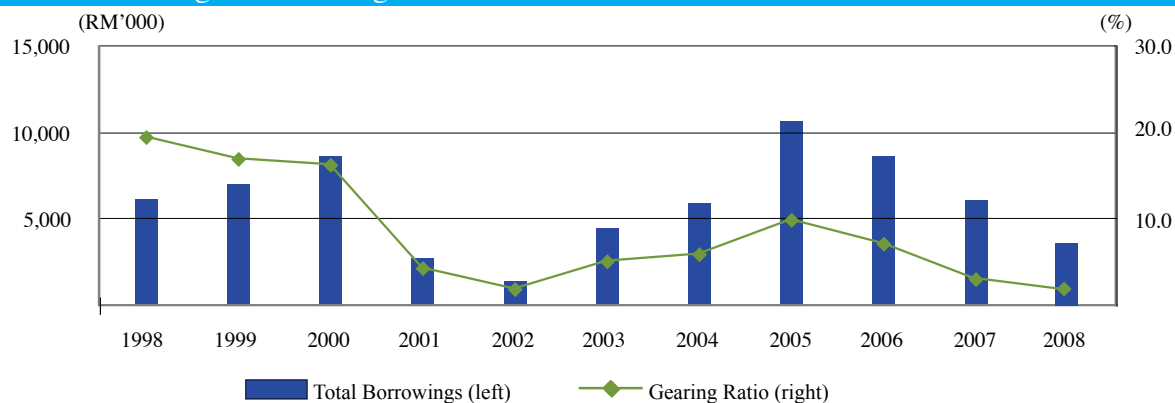
2. Profit after taxation after minority interest.

3. Calculated based on the total issue and fully paid up capital of 100,000,000 shares.

Revenue and PATAMI

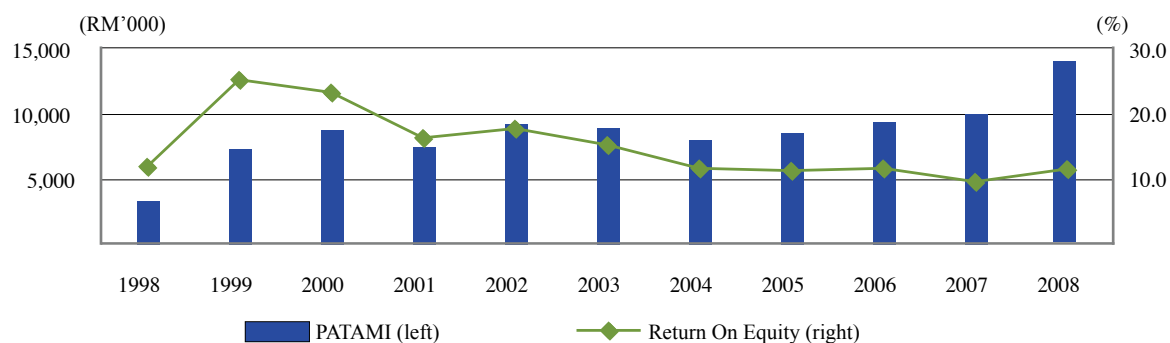


Total Borrowings and Gearing Ratio

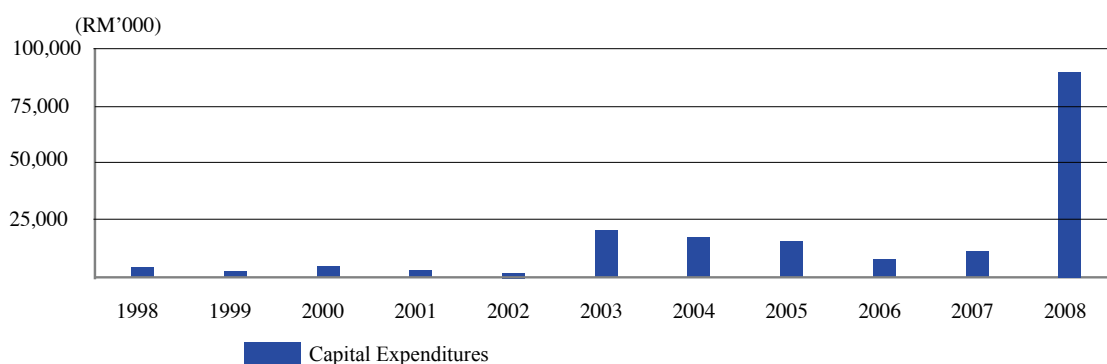


2002	2003	2004	2005	2006	2007	2008
245,350	252,360	288,313	288,045	354,855	329,844	366,456
17,561	17,034	14,485	14,968	16,953	18,312	22,548
12,266	12,039	9,975	10,711	12,381	13,157	18,358
1,074	21,217	18,009	17,789	12,157	14,663	84,323
5,000	5,000	5,000	45,000	45,000	100,000	100,000
105,906	139,648	134,929	153,303	170,207	208,476	246,209
17,589	17,710	27,211	27,206	36,812	62,187	46,434
31,014	52,717	38,017	45,679	50,161	49,251	65,841
1,616	5,029	6,483	12,022	9,699	6,951	2,728
74,707	86,746	96,722	107,432	119,825	158,982	180,097
12.27	12.04	9.98	10.71	12.38	13.16	18.36
70.5	62.1	71.7	70.1	70.4	76.3	73.1
16.4	13.9	10.3	10.0	10.3	8.3	10.2
11.6	8.6	7.4	7.0	7.3	6.3	7.5
214.3	199.5	242.9	231.9	229.5	291.8	187.0
2.2	5.8	6.7	11.2	8.1	4.4	1.5

PATAMI and Return On Equity



Capital Expenditures



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)

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)

Tomoaki Handa
(Executive Director)
(appointed on 22 April 2009)

Hide Nobu Owaki
(Executive Director)
(resigned on 22 April 2009)

COMPANY SECRETARIES

Kang Shew Meng
Seow Fei San (Ms)
Loh Lai Ling (Ms)

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

AUDITORS

Moore 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

STOCK EXCHANGE

Main Board
Bursa Malaysia Securities Berhad
Stock Code : 5140

AUDIT COMMITTEE

Kwong Hoi Meng
(Independent Non-Executive Director)
Chairman

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

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

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

NOMINATING COMMITTEE

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

Kwong Hoi Meng
(Independent Non-Executive Director)
Member

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

REMUNERATION COMMITTEE

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

Kwong Hoi Meng
(Independent Non-Executive Director)
Member

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

BOARD OF DIRECTORS



1. No Director has any family relationships with any other Directors and/or major shareholders of the Company.
2. Other than the related party transactions disclosed in the Annual Report, no Director has any conflict of interest with the Company.
3. No Director has been convicted of any offences within the past 10 years other than traffic offences, if any.



TAN SRI ASMAT BIN KAMALUDIN

Non-Independent Non-Executive Chairman
Aged 65, Malaysian

DATE OF APPOINTMENT

- ▶ 1 January 2005

QUALIFICATIONS

- ▶ Bachelor of Arts in Economics (University Malaya)
- ▶ Diploma in European Economic Integration (University Amsterdam)

CHAIRMAN OF :

- ▶ UMW Holdings Berhad
- ▶ Panasonic Manufacturing Malaysia Berhad
- ▶ Symphony House Berhad
- ▶ Scomi Group Berhad
- ▶ Compugates Holdings Berhad

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- ▶ YTL Cement Berhad (Vice-Chairman)
- ▶ Malaysian Pacific Industries Berhad
- ▶ Carlsberg Brewery Malaysia Berhad
- ▶ Lion Industries Corporation Berhad
- ▶ Pemodalan Nasional Berhad
- ▶ The Royal Bank of Scotland Berhad

EXPERIENCE

- ▶ Currently appointed as the Chairman of the Group.
- ▶ Appointed as a Director in 2005.
- ▶ Worked with the Ministry of Trade and Industry (now known as the Ministry of International Trade and Industry or MITI) between 1966 and 2001.

TRAININGS

- ▶ The recent changes in the Corporate Legal Framework towards Better Corporate Governance – its Implications on Directors' Duties
- ▶ Compliance and Enforcement of Bursa Securities Listing Requirements: Updates and Case Studies
- ▶ Effective Chairmanship
- ▶ Developing Sustainable Futures
- ▶ Directors' Training - SCOMI
- ▶ C-Suite 2009 Budget Tax Perspectives
- ▶ Risk Management: Challenges & Opportunities
- ▶ Importance of Strategy Execution



LEE CHECK POH

Non-Independent Group Managing Director
Aged 60, Malaysian

DATE OF APPOINTMENT

- ▶ 24 April 1989

QUALIFICATIONS

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

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Currently appointed as the Group Managing Director and a member of the Remuneration Committee.
- ▶ Joined the Group in year 1977 and appointed as a Director and the Managing Director in year 1989 and 1998 respectively.
- ▶ Also appointed as an Executive Director and later as the Managing Director of Sony Logistics (M) Sdn Bhd (now known as Sony Supply Chain Solutions (M) Sdn Bhd) between 1989 and 2004.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme



AHMAD BIN ISMAIL

Non-Independent Executive Director
Aged 57, Malaysian

DATE OF APPOINTMENT

- ▶ 28 March 2007

QUALIFICATION

- ▶ Malaysia Certificate of Education

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Currently appointed as the Director in charge of the Support Division.
- ▶ Joined the Group in year 1985 and appointed as a Director in year 2007.
- ▶ Assigned to lead various branches and business divisions of the Group.
- ▶ Worked with the Penang Port Commission between 1971 and 1985.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme



TAN HOCK HUAT

Non-Independent Executive Director
Aged 59, Malaysian

DATE OF APPOINTMENT

- ▶ 30 October 2007

QUALIFICATION

- ▶ Cambridge School Certificate

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Currently appointed as the Director in charge of the Forwarding Division and Trucking Division.
- ▶ Joined the Group in year 1982 and appointed as a Director in year 2007.
- ▶ Assigned to lead various branches and business divisions of the Group.
- ▶ Worked with the Lembaga Pelabuhan Kelang between 1970 to 1980.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme



TOMOAKI HANDA

Non-Independent Executive Director
Aged 51, Japanese

DATE OF APPOINTMENT

- ▶ 22 April 2009

QUALIFICATION

- ▶ Bachelor of Business Administration (Senshu University of Business Administration, Japan)

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Currently appointed as the Director in charge of the International Air Freight Division and a corporate representative of Yusen Air & Sea Service Co., Ltd. (YAS)
- ▶ Joined the Group and appointed as a Director in year 2009.
- ▶ Assigned by YAS between 1981 and 2009 to handle various branches and business divisions in Japan and seconded to Hong Kong and Shanghai to lead the oversea operations.

TRAINING

- ▶ No training was attended as he was newly appointed in 2009.



KIMIO MAKI

Non-Independent Executive Director
Aged 50, Japanese



RAYMOND CHA KAR SIANG

Independent Non-Executive Director
Aged 39, Malaysian

DATE OF APPOINTMENT

- ▶ 30 October 2007

QUALIFICATION

- ▶ Bachelor of Arts in Economics (Waseda University, Japan)

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Currently appointed as the Director in charge of the International Sea Freight Division, International Network Solutions Division, Auto Logistics Division and a corporate representative of Nippon Yusen Kabushiki Kaisha (NYK).
- ▶ Joined the Group and appointed as a Director in year 2007.
- ▶ Assigned by NYK between 1984 and 2007 to handle various branches and business divisions in Japan and seconded to Singapore to lead the overseas operations.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme

DATE OF APPOINTMENT

- ▶ 30 October 2007

QUALIFICATION

- ▶ LLB (Hons) Malaya (University of Malaya)

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Appointed as an Independent Director in year 2007 and also the Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee.
- ▶ Admitted to the Malaysia Bar as an Advocate and Solicitor of the High Court of Malaya in 1996 and currently appointed as the Managing Partner of Putra Ray & Partners.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme



KWONG HOI MENG

Independent Non-Executive Director
Aged 42, Malaysian

DATE OF APPOINTMENT

- ▶ 30 October 2007

QUALIFICATIONS

- ▶ Ordinary member of Malaysian Institute of Certified Public Accountants (MICPA)
- ▶ Chartered Accountant of Malaysian Institute of Accountants (MIA)
- ▶ Approved Company Auditor

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Appointed as an Independent Director in year 2007 and also the Chairman of the Audit Committee and a member of the Nominating Committee.
- ▶ Became an ordinary member of the MICPA and a Chartered Accountant of the MIA in 1994 and an Approved Company Auditor in 2006.
- ▶ Currently appointed as the Partner of Kwong & Wong and a Director of KW Tax Services Sdn Bhd.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme
- ▶ 2009 Budget Seminar

RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER

Independent Non-Executive Director
Aged 66, Malaysian

DATE OF APPOINTMENT

- ▶ 30 October 2007

QUALIFICATION

- ▶ Bachelor of Arts in History and Economics (University of Malaya)

OTHER DIRECTORSHIP IN PUBLIC COMPANY

- ▶ None

EXPERIENCE

- ▶ Appointed as an Independent Director in year 2007 and also the Chairman of the Remuneration Committee, a member of the Nominating Committee and Audit Committee.
- ▶ Served in the Ministry of Labour (now known as the Ministry of Human Resource) between 1967 and 1994 and currently appointed as the Managing Consultant of Inforite IR Consultancy.

TRAININGS

- ▶ What you need to know: Post Listing Requirements and Directors' Disclosure Requirements
- ▶ Mandatory Accreditation Programme



To Our Stakeholders

On behalf of the Group, I would like to take this opportunity to thank our stakeholders - not only shareholders and investors, but everyone associated with the Group - customers, business associates and the people in the communities where the Group has a presence in. Your ongoing support of our activities has underpinned our efforts to achieve corporate success and is therefore greatly appreciated.

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2008, the Group achieved record breaking results. On a consolidated basis, revenue climbed to RM366.5 million, profit before taxation jumped to RM22.6 million and profit after taxation surged to RM18.4 million. These results are recorded at their highest so far in the 34 years history of the Group and exceeded our forecasted profit after taxation of RM14.8 million by RM3.6 million or 24%. As compared to the results of previous year, the Group overachieved revenue and profit after taxation by 11% and 39% respectively. Moreover, the financial results of year 2008 have

not factored in the Company's entitlement to the Investment Tax Allowance which is scheduled to be crystallised in year 2009.

Both the International Business Solutions (comprising services of air freight forwarding, sea freight forwarding and buyer consolidation) and the Domestic Business Solutions (comprising services of customs forwarding, warehouse, trucking, haulage, car carrier and pre-delivery inspection) experienced a surge in revenue in 2008 as compared to that of 2007:

	International Business Solutions				Domestic Business Solutions			
	2008	2007	Increase		2008	2007	Increase	
	RM' million	RM' million	RM' million	%	RM' million	RM' million	RM' million	%
Revenue	184.1	172.7	11.4	6.6	182.4	157.1	25.3	16.1

CAPITAL EXPENDITURES

With regard to our expansion plan, the Group incurred a total capital expenditure of RM84.3 million in year 2008. This includes acquisition of trucks and trailers as well as the development and acquisition of warehouse facilities namely Port Klang Logistics Centre, Bangi Auto Logistics Centre, Sungai Way Logistics Centre, Penang Prai Logistics Centre, Penang Air Freight Station, Melaka Logistics Centre and

Ipoh Logistics Centre. With these investments, the Company has fully utilised its proceeds from the Initial Public Offering.

Despite the capital expenditures in year 2008, the Group maintained a strong financial position with cash and bank balances of RM46.4 million and gearing ratio of 1.5% as at 31 December 2008.

CORPORATE DEVELOPMENT

In terms of corporate development, Nippon Yusen Kabushiki Kaisha ("NYK") and Yusen Air & Sea Service Co., Ltd. ("YAS") (collectively known as the "NYK Group") has announced on 23 March 2009 to increase their deemed equity interest in the Company to 61.32% through the acquisition of 70% in Kombinasi Restu (M) Sdn Bhd.

Being one of the largest shipping fleets in the world and having more than 50,000 employees worldwide, the increased equity participation from the NYK Group will enhance the Group's position in the logistics industry, both internationally and domestically. Ever since the incorporation of the Company, the NYK Group has been a shareholder and a strong supporter to the Group. With the recent acquisition, the NYK Group further extends its confidence and commitment to the Group and to ensure that the Group is on track to achieve its full potential.

Highlights of NYK:

- NYK is listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange;
- NYK is a Global Fortune 500 company (rank 372 in 2008) and has more than 50,000 employees worldwide;
- NYK's major businesses consist of Shipping Business (Liner and Bulk), Logistics Business, Terminal and Harbor Transport Business, Cruise Business and Air Cargo Transportation.

Highlights of YAS:

- YAS is listed on the Tokyo Stock Exchange and is a subsidiary of NYK;
- YAS has more than 240 offices and 5,000 employees in 33 countries;
- YAS is one of the leading international air freight forwarders in Japan.

AWARDS

The Group strives to offer its highest quality of logistic services and solutions to its customers. As part of the compliments from our customers and business partners, the Group was awarded in year 2008 with:

- ▶ The "Best Retail and Fast Moving Consumer Goods Logistics Service Provider in Malaysia" by Frost and Sullivan (for the second consecutive year);
- ▶ The "Best Automotive Logistic Service Provider in Malaysia" by Frost and Sullivan;
- ▶ The "Freight Forwarder Excellence Service Award 2007" by Yamaha;
- ▶ The "Special Award in 2008 for the Excellent Provision of Logistics Services" by Pioneer;

- ▶ The "No. 1 Vendor of the President Award" by Konica Minolta;
- ▶ The "Best Maintained Fleet" under the Medium Fleet Category by Pusat Pemeriksaan Kenderaan Berkomputer Sdn Bhd.

These major accomplishments mark an important milestone to the history of the Group and we are committed to further improve our customers' satisfaction in the coming years.

REVIEW AND OUTLOOK OF YEAR 2009

The Wall Street meltdown and the resulting global economic panic have resulted in slumping trade, loss of consumer buying power and in turn contributing to a slowdown in the manufacturing and trading sectors. There is concern among the logistic industry players over the impact of the financial crisis and global recession on the logistic industry, which depends heavily on the manufacturing and trading sectors.

To the Group, all these factors have an adverse impact on our international handling which includes customs forwarding, haulage, sea and air freight forwarding. Despite the fact that our domestic handling, such as trucking, warehouse and auto logistic business, have so far weathered the storm well, we will inevitably feel the pinch of the economic downturn.

However, the logistic industry remains as the critical supply chain to bring the manufacturing and trading companies' products to the target destinations and markets. Many of these manufacturing and trading companies, especially during the economic downturn, have engaged professional logistic players like us to enhance their supply chain and inventory management and in turn improve their bottom line and cash position. As such, we must not lose sight of the opportunities and potentials in the logistic industry, amid the doom and gloom of the global financial crisis. With the strong cash flow and low gearing ratio, the Group is in the position to capitalise on these opportunities and bring value to the shareholders.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I ask for the continuous support from you, our stakeholders, to the Group as we ride through the challenges that lie ahead of us.



Tan Sri Asmat Bin Kamaludin
Chairman



Q1

How has the market been for the TASCOT Group in year 2008? Was it up to expectations?

Year 2008 has been an outstanding year for us. The Group not only has achieved its best ever results in its 34 years' history, but has also taken a leap forward in term of its corporate development and expansion. We have achieved revenue of RM366.5 million in year 2008, averaging about a million a day including Saturdays, Sundays and public holidays. Moreover, our pioneer shareholders, NYK and YAS, have taken a bigger equity stake in the Company as announced in March 2009.

What is more promising is that our major divisions have recorded higher revenue this year which are mainly attributed by the surge in volume handled and the new customers secured at the end of year 2007. Our 2008 investments in warehouses, trucks and haulage have also enhanced our profit margin in the Domestic Business Solutions which in turn contributed positively to the bottom line of the Group.

Although the International Business Solutions has experienced an increase in volume handled which contributed to the revenue increase in year 2008, its profit margin was lower due to the weakening US Dollar in the first half of year 2008 and with the global economic downturn in the second half of year 2008.

Overall, I am very pleased with the Group's accomplishments in year 2008 and I wish to express my appreciation to the management and staff of the Group for their dedication, commitment and diligence during the year.

Please refer to pages 18 and 19 for further details on the performance of each division.

"We achieved revenue of RM366.5 million in year 2008, averaging about a million a day including Saturdays, Sundays and public holidays."

What are the secrets to the TASCO Group's success?

I strongly believe that our success is very much correlated to our customers' satisfaction which has always been our top priority when we are servicing them. In order to elevate our customers' satisfaction, we have identified the following as our core strengths:

- ▶ Capable People;
- ▶ Competitive Pricing;
- ▶ Flexible Resources;
- ▶ Quality Services;
- ▶ Reliable Brandings;
- ▶ Advanced IT systems;
- ▶ Extensive Networks;
- ▶ Customised Services;
- ▶ Innovative Solutions; and
- ▶ Integration of Services.

To further develop and apply these core strengths in our day to day operations, we have also established the following core messages to remind our staff of the importance of these core strengths:

- ▶ **Sales Philosophy:**
Globally Dedicated, Locally Focused;
- ▶ **Operation Philosophy:**
5 "R" - Right Condition, Right Person, Right Place, Right Time and Right Quantity;
- ▶ **People Philosophy:**
One Team, One Mind, One Direction.

To achieve our objectives, these core strengths are developed to support each other and any shortfall in one may lead to implications in others. We also focus to ensure that these core strengths are sustainable and not easily imitated by others.

With these, our core strengths and philosophies can be summarised in the diagram below.



Q3

What are the TASCO Group's business strategies given the current economic climate?

The Group's business strategies focus on the following 3 areas:

Market Share Growth:

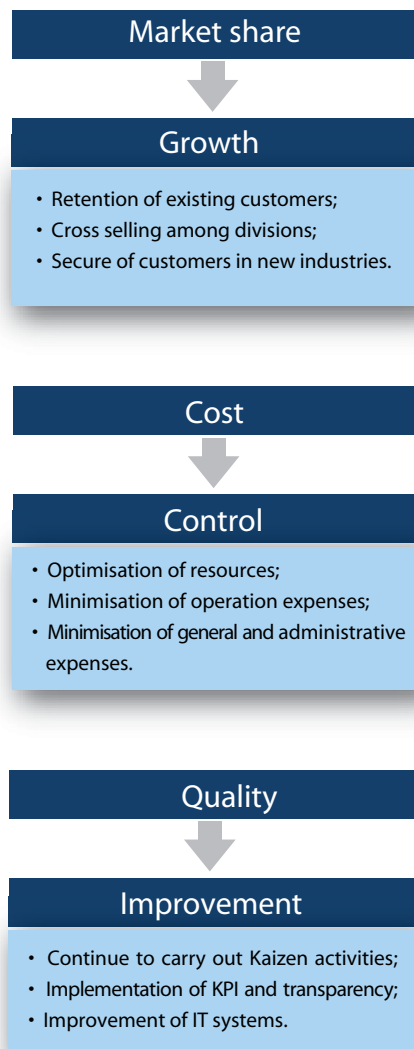
We promote our core customer program (Sea, Earth and Air Logistics Integration Program - "SEA LIP") to reinforce the customer-oriented aspect of services and strive to secure long term contracts with foreign and domestic customers. We also expand the scope of strategies for integrated logistic services, which encompass operations at sea, on land and in the air as well as actively develop and promote our presence in the growing industries.

Cost Control:

We strive to curb cost each year, with a focus on cost control measures to limit administrative and management costs and reduce fuel costs. An emphasis is, however, placed on continued efforts to improve efficiency through better operation planning.

Quality Improvement:

We improve our operational efficiency and effectiveness by adopting some of the best international and domestic industry practices via implementation of Kaizen activities, benchmarking of performance against Key Performance Index (KPI) and development of IT systems. The ultimate objective is to improve customers' satisfaction while maintaining cost efficiency.



"Our success is very much correlated to our customers' satisfaction which has always been our top priority when we are servicing them."

BUSINESS AT A GLANCE

Notes :

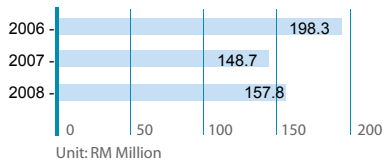
- 1. Characteristics of the International Business Solutions:**
Minimum capital investment; Not highly regulated; Requires extensive international networks; Collaboration with foreign agents under a common IT system.
- 2. Characteristics of the Domestic Business Solutions:**
High capital investment; Highly regulated; Requires extensive domestic networks; Support with proper resource planning under multiple IT systems.

Revenue Ratio
2008

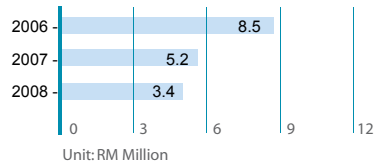
Revenue
2008

International Business Solutions ¹	International Air Freight Division  YUSEN GLOBAL LOGISTICS <small>AIR & SEA SERVICE</small>		42%	RM157.8 million
	International Sea Freight Division  NYK LOGISTICS <small>& MEGACARRIER</small>		7%	RM24.4 million
	International Network Solutions Division  NYK LOGISTICS <small>& MEGACARRIER</small>		0%	RM1.8 million
Domestic Business Solutions ²	Forwarding Division - Customs Forwarding  TASCO		18%	RM65.0 million
	Forwarding Division - Haulage Transportation  TASCO		4%	RM13.0 million
	Forwarding Division - Warehouse  TASCO		12%	RM42.9 million
	Trucking Division  HARIMAU EXPRESS		16%	RM57.2 million
	Auto Logistics Division  TASCO		1%	RM4.3 million

Revenue 2006 - 2008



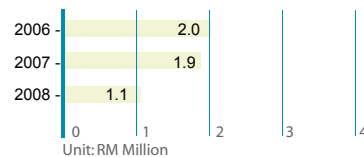
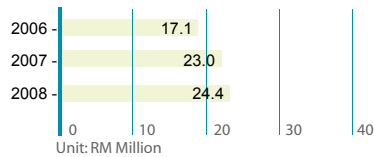
Profit From Operations 2006 - 2008



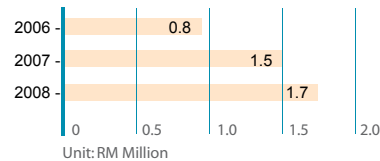
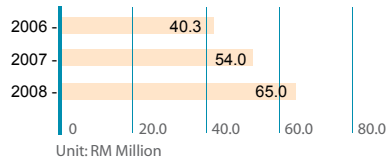
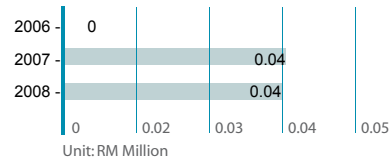
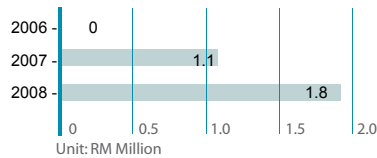
Resource Facilities



Prime Movers & Trucks

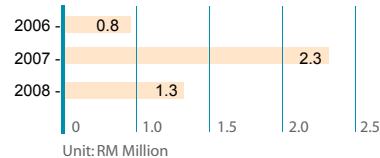
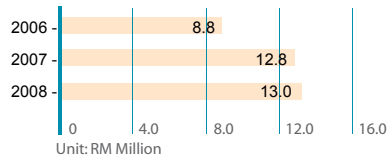


Warehouse Space

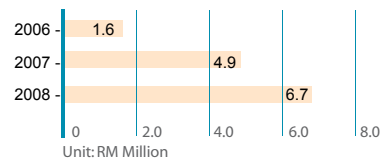
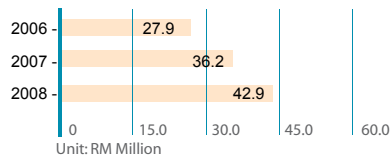


Domestic: > 1,000
Worldwide: > 50,000[#]

Employees

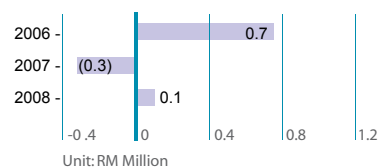
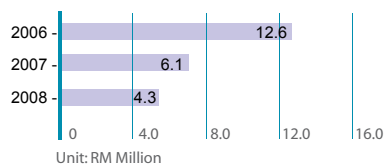
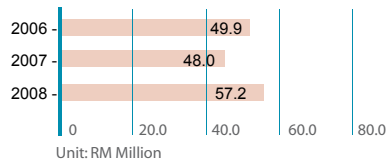


Domestic Networks



> 290 offices
in 36 countries[#]

International Networks



[#] Under the international logistics network of NYK Group.

CORPORATE GOVERNANCE INITIATIVES

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

GUIDELINES

The Board of Director ("The Board") is committed to ensure the principles and best practices on corporate governance are observed and practiced throughout the Group as the fundamental part of discharging its responsibilities while protecting and enhancing shareholders' value.

The prescriptions set out in the Part 1 and Part 2 of The Malaysian

Code on Corporate Governance ("the Code") are used as the guidelines for the Board to implement and maintain high standards of corporate governance. The Code sets out the principles and best practices on structures and processes that the Group may use towards achieving its optimal governance framework.

INTERNAL ORGANISATION STRUCTURE

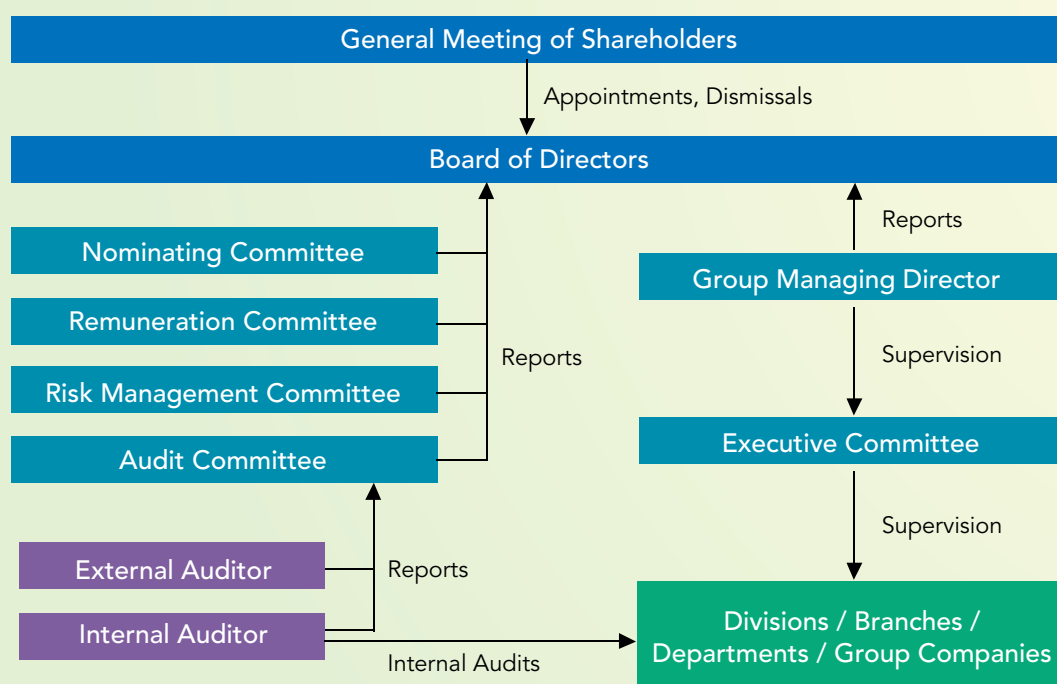
As of 31 December 2008, the Board comprised of 9 members, including 3 independent non-executive directors. The Board has also established the following Board Committees to assist the Board in carrying out its fiduciary duties:

- (a) Nominating Committee
- (b) Remuneration Committee
- (c) Risk Management Committee
- (d) Audit Committee

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

The Executive Committee headed by the Group Managing Director comprises 9 members including Executive Directors from the Board and senior level staff. The Executive Committee is responsible to discuss matters of particularly critical importance from the perspective of day to day management and operation strategies.

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



BOARD OF DIRECTORS

The Board comprises of the following members and the detail of attendance of each member at the Board meetings held during the financial year ended 31 December 2008 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Tan Sri Asmat Bin Kamaludin (Chairman)	Non - Executive	No	5/5
Lee Check Poh (Group Managing Director)	Executive	No	5/5
Ahmad Bin Ismail	Executive	No	5/5
Tan Hock Huat	Executive	No	5/5
Hidenobu Owaki	Executive	No	5/5
Kimio Maki	Executive	No	5/5
Raymond Cha Kar Siang	Non - Executive	Yes	5/5
Kwong Hoi Meng	Non - Executive	Yes	5/5
Raippan s/o Yagappan @ Raiappan Peter	Non - Executive	Yes	5/5

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

Board Balance

The position of Chairman and the Group Managing Director are held by 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's composition complies with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") that requires at least 1/3 of the Board to comprise of Independent Non-Executive Directors.

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 considerations in the deliberation of the various issues and matters affecting the Group.

Board Meetings and Supply of Information

During the year, 5 board meetings were held and all Directors fulfilled the requirement stipulated by Bursa Malaysia in relation to their attendance at the Board 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 the Directors is readily available. 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 to it for deliberation and decisions 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 which 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 enhances the members' comprehension of Board papers before deliberations.

BOARD OF DIRECTORS

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

All 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.

Furtherance to their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the Company's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from 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 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.

Directors' Trainings

All Directors except Mr. Tomoaki Handa have attended and successfully completed the Mandatory Accreditation Programme. The Board assumes the onus of determining or overseeing the training needs of the 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.

NOMINATING COMMITTEE

The Nominating Committee comprises of the following members and the detail of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 December 2008 are as follows:

Name	Status of Directorship	Independent	Meeting attended
Raymond Cha Kar Siang (Chairman)	Non - Executive	Yes	1/1
Kwong Hoi Meng	Non - Executive	Yes	1/1
Raippan s/o Yagappan @ Raiappan Peter	Non - Executive	Yes	1/1

The Nominating Committee, set up on 6 December 2007, is responsible for recommending the right candidate for the 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 terms of reference of the Nominating Committee have been approved by the Board and complied with the recommendations of the Code.

Re-election of Directors

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 ("AGM") after their appointment.

In accordance with the Company's Articles of Association, 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 70 years old is required to submit himself for re-appointment annually in accordance to Section 129 (6) of the Companies Act, 1965.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of the following members and the detail of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 December 2008 are as follows:

Name	Status of Directorship	Independent	Meeting attended
Raippan s/o Yagappan @ Raiappan Peter (Chairman)	Non - Executive	Yes	1/1
Raymond Cha Kar Siang	Non - Executive	Yes	1/1
Lee Check Poh	Executive	No	1/1

A Remuneration Committee, set up on 6 December 2007, is responsible for recommending to the Board the remuneration of the Executive Directors, in all forms. The determination of the remuneration of the Non-Executive Directors as well as the Executive Directors will be a matter to be determined by the Board as a whole with the Director concerned abstaining from deliberations and voting on the decisions regarding his individual remuneration.

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

Directors' Remunerations

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

The details of the Directors' remunerations for the financial year ended 31 December 2008 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,000 to RM150,000	-	1
RM150,001 to RM200,000	1	-
RM250,001 to RM300,000	2	-
RM350,001 to RM400,000	1	-
RM1,050,001 to RM1,100,000	1	-

The Directors' remunerations are further analysed by fees, salaries and other emoluments:

	Fees	Salaries and other emoluments	Total
Executive Directors	-	RM2,526,160	RM2,526,160
Non-Executive Directors	RM172,000	-	RM172,000

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of 6 members of senior-leveled staff who is responsible to ensure that there is a risk management programme in place to identify and manage the major or significant operational, financial and market risks associated with the Group businesses.

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

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

Risk Tabulation Table

LIKELIHOOD	High			
	Medium			
	Low			
		Minor	Moderate	Major
IMPACT				

AUDIT COMMITTEE

The Audit Committee comprises of the following members and the detail of attendance of each member at the Audit Committee meetings held during the financial year ended 31 December 2008 are as follows:

Name	Status of Directorship	Independent	Meeting attended
Kwong Hoi Meng (Chairman)	Non - Executive	Yes	5/5
Raymond Cha Kar Siang	Non - Executive	Yes	5/5
Raippan s/o Yagappan @ Raiappan Peter (appointed on 7 May 2008)	Non - Executive	Yes	2/2
Lee Check Poh (resigned on 7 May 2008)	Executive	No	3/3

The Audit Committee, set up on 6 December 2007, is responsible to assist the Board to review the adequacy and integrity of the Group's internal control systems and all financial statements before their submission to the Board for approval.

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

Audit Committee Report

The terms of reference of the Audit Committee together with its report are presented on pages 26 and 27 of the Annual Report.

INTERNAL CONTROL SYSTEM

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 cognisance 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 28 of the Annual Report.

INTERNAL AUDIT FUNCTION

The Internal Audit Function is outsourced to an Audit Firm and reports to the Audit Committee. The Internal Auditor prepares and tables an Annual Internal Audit Plan for the consideration and approval of the Audit Committee. The Internal Auditor adopts a risk-based approach in preparing its audit strategy and annual plan based on the risk profiles of the business operations. The scope of the

internal audit is based on the audit plan. The Internal Auditor reports to the Audit Committee on a quarterly basis and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

The Group incurred RM38,000 of internal audit fees during the financial year ended 31 December 2008.

FINANCIAL REPORTING

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

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 estimations 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 the 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.

INVESTOR RELATIONSHIPS

The Board values its dialogue with both institutional shareholders and private investors and recognises that timely and equal dissemination of relevant information be provided to them. In this regard, it adheres to the disclosure requirements of Bursa Malaysia.

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

The Board encourages shareholders' active participation at

the Company's AGM. The AGM remains the principal forum for dialogue with shareholders where it provides an opportunity for the shareholders to seek clarifications on the Group's operations. The Chairman and members of the Board will undertake to provide the shareholder with a written answer to any significant question 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 AGM or Extraordinary General Meeting must be accompanied by an explanation of the effects of the proposed resolution.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2008.

Members and Meetings

The members of Audit Committee and their meeting attendance are presented on page 24 of the Annual Report.

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 fulfills the following requirements:

1. The Audit Committee shall be composed of at least 3 members;
2. The majority of the Audit Committee must be independent directors;
3. The Chairman of the Audit Committee shall be an independent director;
4. All members of the Audit Committee should be non-executive directors;
5. All members of the Audit Committee should be financially literate and at least one of the members of the Committee must:
 - (i) be a member of the Malaysian Institute of Accountants; or
 - (ii) have at least 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) fulfill such other requirements as prescribed by the Bursa Malaysia Securities Berhad;
6. No alternate director is appointed as a member of the Audit Committee.

Authority

The Audit Committee shall be in accordance with the procedure 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 Company, 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, functions, 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 Company'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 policies 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 Company 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;
 - 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 interest situations that may arise within the Company and the Group.
 4. To consider the major findings of internal investigations and management responses.
 5. To meet with the external auditors without executive board members present at least twice a year.
 6. To carry out any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Group and ensure the effectiveness discharge of the 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 on any matter reported by the Audit Committee to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia.

Retirement and Resignation

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

Meetings

1. The Audit Committee shall meet at least 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 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 the 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

The following activities were carried out by the Committee during the financial year under review:

- (a) Reviewed the unaudited quarterly financial statements including the audited year end financial statements before recommending to the Board for approval;
- (b) Discussed and reviewed the Group's audited year end financial statements together with the Audit Report to the Committee with the external auditors in relation to the significant matters noted in the course of the audit of the Group's financial statements as well as new developments on accounting standards and regulatory requirements;
- (c) Reviewed with the external auditors their audit plan prior to the commencement of audit;
- (d) Considered the appointment of external auditors and their audit fees;
- (e) Considered the related party transactions that had risen within the Company or the Group;
- (f) Reviewed the audit reports submitted by the Internal Auditors; and
- (g) Reviewed and approved the Internal Audit Plan for the year and the monitoring of the implementation of the approved audit plan.

STATEMENT OF INTERNAL CONTROL

The Board has 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 company because the Group does not have full management control over it.

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

Continuous Process

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

- Organisation structure with clearly defined delegation of responsibilities to the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- 6 branches in the Group 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 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;
- Budgeting and forecasting system governed by the Group's policy;
- Regular internal audit visits and other specific assignments, if the need arises, assigned by the Audit Committee; and
- The Audit Committee holds regular meetings with management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management.

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

Internal Audit

The Group 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. The Internal Auditor provides an independent, objective assurance and advisory services that add value and improve the operations by:

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

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

Risk Management

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

- Ensures the Company implements a comprehensive system of risk identification, assessment and management;
- Forms an integral part of the Group's structure and design to identify, assess, monitor and manage risks;
- Regularly reviews the 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.

ADDITIONAL COMPLIANCE INFORMATION

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 have been utilised according to the Prospectus issued by the Company on 7 December 2007.

Variation In Results

There is a positive variance in the Group's audited results for the financial year ended 31 December 2008 and unaudited results for the same period which was announced on 11 February 2009.

The variance was mainly due to the under recognition

of discount on acquisition of subsidiaries amounted to RM1,946,000 and the overprovision of taxation amounted to RM1,385,000.

Material Contracts Involving Directors And Substantial Shareholders' Interests

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

Recurrent Related Party Transaction

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2008 are as follows:

No.	Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate Value (RM'000)
1	Various agency agreements entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitate the operations of each other.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	Sales: 60,210 Purchases: 40,666
2	Various staff secondment agreements entered into between TASCO and the NYK Group's subsidiaries whereby NYK Group's subsidiaries agree to second and TASCO agrees to engage the expatriate who shall be regarded as a member of TASCO's staff and shall be subjected to TASCO's rules and regulations.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	424
3	Software agreements entered into between TASCO and NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	170
4	Management service agreements entered into between TASCO and NYK Group's subsidiaries for the provision of business development, sales, marketing and related activities by NYK Group to TASCO.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	133
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	7,015
6	Various lease agreements entered into between TASCO and the respective NYK Group's subsidiaries for the usage of the NYK Group's office/warehouse facilities by TASCO.	TASCO/NYK Group	Hidenobu Owaki ¹ , Kimio Maki ² and NYK Group ³	1,236
	Total			109,854

Notes:

1. Hidenobu Owaki was seconded to TASCO from YAS. He was the Executive Director of TASCO and resigned on 22 April 2009.

2. Kimio Maki was seconded to TASCO from NYK and is the Executive Director of TASCO.

3. NYK Group includes NYK, its subsidiary companies and affiliates.

CALENDAR OF EVENTS



• 8 APRIL 2008



• 10 & 11 MAY 2008



• 14 MAY 2008



• 2 JUNE 2008

Opening of Bangi Auto Logistics Centre

Bangi Auto Logistics Centre was officially opened by our Group Managing Director, Mr Lee Check Poh and the Managing Director and Chief Executive Officer of Honda Malaysia, Mr Atsushi Fujimoto. The facility was leased by Honda Malaysia for the purpose of its pre-delivery inspection on the Complete Built-Up Unit cars in Malaysia. Other value-added services such as installation of car accessories, maintenance, washing and polishing the cars were also provided by TASCO in the facility.

Annual Gathering

The Group held its 34th Annual Gathering in Cameron Highlands. 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.

Award from Yamaha Electronics

The Group was awarded by Yamaha Electronics Mfg Malaysia with the "Freight Forwarder Excellence Service Award 2007". Our Executive Director, Mr Hidenobu Owaki received the award on behalf of the Group during the ceremony held in Ipoh.

Opening of Sungai Way Logistics Centre

Sungai Way Logistics Centre was officially opened by our Group Managing Director, Mr Lee Check Poh, the Managing Director of Sony Supply Chain Solutions (Malaysia) Sdn Bhd, Mr Kazumasa Seguchi, the Managing Director of Sony Precisions Engineering (Malaysia) Sdn Bhd, Mr Tadayoshi Ikeno, the General Manager of Sony Corporation (Japan), Mr Toru Katsumoto and Senior Assistant Director of Customs office, Tuan Engku Ariff Bin Tuan Mat. The facility was leased by Sony Supply Chain Solutions (Malaysia) Sdn Bhd to store raw materials and finished goods of Sony Precisions Engineering (Malaysia) Sdn Bhd.



• 3 JUNE 2008

Award from Frost and Sullivan

The Group was awarded with the Frost and Sullivan Voice of Customer Awards in 2007 for the “Best Retail Logistics Service Provider” and again in 2008 for the “Best Automotive Logistic Service Provider” and the “Best Retail and Fast Moving Consumer Goods Logistics Service Provider” in Malaysia. Our Group Managing Director, Mr Lee Check Poh, received the award on behalf of the Group during the ceremony held in Singapore. In the same ceremony, NYK Logistics Group (including TASCO and other NYK companies in the ASEAN) was named as the Best Logistics Service Provider (ASEAN) for the second consecutive year.



• 5 JUNE 2008

Contribution to Humanity

The Group offered its logistic services to Crisis Relief Services & Training Berhad and delivered 6 tonnes of relief supplies to Myanmar for the survivors in the Cyclone-Nargis stricken area.



• 11 JUNE 2008

Annual General Meeting

The Company held its 33rd Annual General meeting in Holiday Inn Glenmarie Kuala Lumpur Hotel and this was the first Annual General Meeting convened after the listing of the Company on the Main Board of Bursa Malaysia Securities Berhad in 2007.



• 27 JUNE 2008

Award from Pioneer Technology

The Group was awarded by Pioneer Technology (M) Sdn Bhd with the “Special Award in 2008 for the Excellent Provision of Logistics Services”. Our Executive Director, Mr Kimio Maki received the award on behalf of the Group during the ceremony held in Melaka.



• 29 JUNE 2008



• 30 OCTOBER 2008



• 31 OCTOBER 2008



• 28 NOVEMBER 2008



• 30 DECEMBER 2008

Nationwide Road Safety Campaign

Our Nationwide Road Safety Campaign "SMART DRIVE SAVE LIFE" was officially launched with the participations of the Jabatan Keselamatan Jalan Raya, PLUS Expressways Berhad, the Royal Malaysian Police and Puspakom Sdn Bhd. The Campaign promotes early preparation, preventive action through vehicle safety and maintenance via prudent driving.

ISO Certification

Port Klang Logistics Centre was awarded with an ISO 9001:2000 certification from Lloyd's Register Quality Assurance Ltd for establishing a quality management system for provision of customs clearance, warehousing, international sea freight and international network solutions services.

Award from Puspakom

The Group was awarded by Pusat Pemeriksaan Kenderaan Berkomputer Sdn Bhd (Puspakom) for the "Best Maintained Fleet" under the Medium Fleet Category for the year 2007/2008. Our Executive Director, En Ahmad bin Ismail received the award on behalf of the Group during the ceremony held in Kuala Lumpur.

Award from Konica Minolta

The Group was awarded by Konica Minolta Glass Tech (M) Sdn Bhd for the "No. 1 Vendor in the 2008 President Award". Our Executive Director, Mr Kimio Maki received the award on behalf of the Group during the ceremony held in Melaka.

ISO Certification

Pasir Gudang Logistics Centre was awarded with an ISO 9001:2000 certification from Lloyd's Register Quality Assurance Ltd for establishing a quality management system for provision of customs clearance, warehousing and international sea freight services.

INTRODUCTION

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 timely, safely and efficiently as possible. The Group believes that promoting Corporate Social Responsibility (CSR) is essential to the creation and enhancement of operation base by providing safe logistic services while protecting the environment. In this regard, the Group's CSR programmes focus on quality, environment and safety with the emphasis of preventing work place and road accidents.

As the Group desires for all employees to remain aware of the importance of CSR as they perform their daily duties, the Group establishes the following philosophies for the employees:

- ▶ **Sales Philosophy:**
Globally Dedicated, Locally Focused;
- ▶ **Operation Philosophy:**
5 "R" - Right Condition, Right Person, Right Place, Right Time and Right Quantity;
- ▶ **People Philosophy**
One Team, One Mind, One Direction

With these philosophies, the Group strives to promote the highest safety standards and quality logistics operations to maintain customers' satisfaction and trust.

SAFETY

The Safety Committee was established to formulate policies, action plans, and budgets for the implementation of road and work place safety programmes. The following are some of the activities carried out in year 2008:

a) Occupational Safety and Health

Meetings were held by the Safety Committee to tackle major safety issues at work place and audits were conducted to ensure that safety guidelines and policies were being followed.

The fire fighting system and back-up generators of the major warehouses were inspected and the internal fire drills were also conducted to ensure that they were functioning properly in case of fire or power failure.

The hazardous areas in the major warehouses and offices were identified, mapped and displayed in the buildings.

b) Certification of Forklift Operators

The Safety Committee carried out training programmes to certify all forklift operators in the warehouse to ensure the highest standards of safety operations in the warehouses.

The forklift operators underwent comprehensive trainings, supervised by certified trainers and placed under probation for 3 months. Upon completion of the trainings, the operators' operating skills and theoretical knowledge were tested. The operators who passed the tests were then certified to operate the machines and were entitled for monthly special allowances as long as they maintained clean safety records. To maintain the competencies of the certified operators, they were subjected to sit for tests every 3 months. More than 200 operators have undergone the programme.

With these training programmes, the Safety Committee aims to increase operation productivity and minimise damages on customers' cargo during the operations.



c) Nationwide Road Safety Campaign

The Safety Committee had on 29 June 2008 launched its Nationwide Road Safety Campaign themed "Smart Drive Save Life". The Campaign aimed to raise greater awareness among truck drivers and supporting staff on road safety. A half-day seminar was also conducted with invited speakers from Jabatan Keselamatan Jalan Raya, Projek Lebuhraya Utara Selatan (PLUS), Pusat Pemeriksaan Kenderaan Berkomputer Sdn Bhd (Puspakom) and Polis DiRaja Malaysia to share their experiences with the participants. More than 300 employees participated in the Northern, Central and Southern Regions.



d) Defensive Driving Training

The Safety Committee organised a series of defensive driving trainings for the truck operators with the main objective to achieve zero accident and to avoid mishaps and loss of life. The trainings were conducted annually by the qualified instructors from the Ministry of Transportation. The programme is aimed to train and retrain our truck operators in order to continuously promote their road safety awareness. Certain audits were also carried out by the Safety Committee to monitor the compliance of the policies and procedures. More than 200 truck operators in Northern, Central and Southern regions has undergone the programme.

e) Scheduled Maintenance Of Trucks

Our trucks are repaired and maintained by our in-house workshop. Each truck is also scheduled to be inspected in order to keep them in good roadworthy condition. This is to prevent any vehicle breakdown while on the road and in turn minimise any unforeseen accidents which may cause damages to customers' cargo, public property, company trucks or human lives. Any of these interruptions will also cause delay in delivery of cargo to the customers affecting their production.

During the year, the Group was awarded by Pusat Pemeriksaan Kendaraan Berkomputer Sdn Bhd (Puspakom) for the "Best Maintained Fleet" under the Medium Fleet Category for the year 2007/2008.



QUALITY AND ENVIRONMENT

The Group successfully obtained ISO 9001-2000 Quality Management Systems accredited for the Port Klang Logistics Centre and Pasir Gudang Logistics Centre in 2008. This brings to a total of 6 branches with ISO certifications.

The Group is also concerned with the environment issues and has done the following:

- ▶ Recycling of waste was conducted at major stations;
- ▶ Schedules for the maintenance of trucks and forklifts were carried out to keep the engines in good condition thereby reducing smoke emission;
- ▶ Purchase of new electric powered handling equipment, instead of motorised machines to reduce noise and pollution;
- ▶ Purchase of new trucks that has EURO engine specifications with lower smoke emission level.

CONTRIBUTION TO HUMANITY

During the year, the Group offered its logistic services to the Crisis Relief Services & Training Berhad and delivered 6 tonnes of relief supplies to Myanmar for the survivors in the Cyclone-Nargis stricken area.



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CORPORATE INFORMATION

DOMICILE	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	Public company limited by way of shares incorporated in Malaysia under the Companies Act 1965
REGISTERED OFFICE	312, 3rd Floor Block C, Kelana Square 17 Jalan SS7/26 47301 Petaling Jaya Selangor Darul Ehsan
PRINCIPAL PLACE OF BUSINESS	Lot 2.25, 2.27 & 2.29, Jalan SU 7 Persiaran Tengku Ampuan Lion Industrial Park II, Section 26 40000 Shah Alam Selangor Darul Ehsan

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged as a total logistics solutions provider. 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	Company
	RM	RM
Profit attributable to shareholders of the Company	18,357,766	12,638,341
Retained earnings brought forward	58,170,618	45,850,933
Profit available for appropriation	76,528,384	58,489,274
Adjustment on post-acquisition profit of previously held interest in a subsidiary	1,377,720	-
Retained earnings carried forward	77,906,104	58,489,274

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 43 and 47.

ISSUE OF SHARES AND DEBENTURES

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

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

Mr Tan Hock Huat

Mr Hidenobu Owaki

Mr Kimio Maki

Mr Raymond Cha Kar Siang

Mr Kwong Hoi Meng

Mr Raippan s/o Yagappan @ Raiappan Peter

In accordance with the Company's Articles of Association, Tan Sri Asmat Bin Kamaludin, En Ahmad Bin Ismail and Mr Tan Hock Huat retire from the Board at the forthcoming annual general meeting and 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 and the related corporations 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			At
	1.1.2008	Bought	Sold	31.12.2008
The Company				
Tan Sri Asmat Bin Kamaludin - deemed interest	37,229,749	-	-	37,229,749
Mr Lee Check Poh - deemed interest	9,830,438	-	-	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
Subsidiary				
- Omega Saujana Sdn Bhd				
Mr Lee Check Poh - direct interest	49,000	-	-	49,000
En Ahmad Bin Ismail - direct interest	51,000	-	-	51,000
Subsidiary				
- Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh - direct interest	49,000	-	-	49,000

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.

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 as 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 transactions disclosed in note 36(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 there were no known bad debts but that 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 it necessary to write off any debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) any charge on the assets of the Company or its subsidiaries 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 subsidiaries which has arisen since the end of the financial year.

(d) No contingent or other liability of the Company or its subsidiaries 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 subsidiaries 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.

AUDITORS

The auditors, Moores Rowland, Chartered Accountants, retire at the forthcoming annual general meeting and do not wish to seek re-appointment. The directors have received a nomination to appoint Mazars, Chartered Accountants, as auditors for the ensuing year. Mazars have expressed their willingness to accept nomination as auditors and a motion to resolve their appointment will be tabled at the forthcoming annual general meeting.

Signed on behalf of the directors in accordance with a directors' resolution dated 14 April 2009

LEE CHECK POH
Director

AHMAD BIN ISMAIL
Director

REPORT OF THE AUDITORS TO THE MEMBERS

FINANCIAL STATEMENTS - 31 DECEMBER 2008

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Trans-Asia Shipping Corporation Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 41 to 84.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statement and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in note 5 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment material to the consolidated financial statements and did not include any adverse comment made under Section 174 (3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MOORES ROWLAND
No. AF : 0539
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/09 (J)
Partner

Kuala Lumpur

Dated: 14 April 2009

CONSOLIDATED BALANCE SHEET

31 DECEMBER 2008

	Note	2008	2007
		RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	107,590,249	55,371,819
Goodwill	4	864,854	864,854
Investment in associated companies	6	6,429,977	9,098,752
Other investments	7	1,222,504	1,200,504
Prepaid lease payments	8	20,540,026	6,087,392
Total non-current assets		136,647,610	72,623,321
Current assets			
Inventories	9	122,823	49,852
Trade receivables	10	57,299,624	64,195,425
Other receivables, deposits and prepayments	11	3,878,929	4,315,074
Amounts owing by associated companies	13	807,155	983,735
Current tax asset		1,018,267	16,619
Fixed deposits with a licensed bank	14	30,775,792	41,172,746
Cash and bank balances	15	15,658,357	21,014,095
		109,560,947	131,747,546
Non-current assets classified as held for sale	16	-	4,104,762
Total current assets		109,560,947	135,852,308
TOTAL ASSETS		246,208,557	208,475,629
EQUITY AND LIABILITIES			
Equity			
Share capital	17	100,000,000	100,000,000
Share premium	18	801,317	801,317
Revaluation reserve		1,400,591	-
Exchange translation reserve		(10,540)	9,596
Retained earnings		77,906,104	58,170,618
Equity attributable to shareholders of the Company		180,097,472	158,981,531
Minority interests		269,892	243,102
Total equity		180,367,364	159,224,633
Non-current liabilities			
Hire purchase and finance lease liabilities	19	750,955	1,776,846
Deferred tax liabilities	20	6,488,212	2,316,937
Total non-current liabilities		7,239,167	4,093,783
Current liabilities			
Trade payables	21	23,965,957	24,442,550
Other payables, deposits and accruals	22	30,547,890	12,144,286
Amounts owing to associated companies	13	1,903,615	1,598,850
Hire purchase and finance lease liabilities	19	1,977,542	3,694,643
Revolving credits (unsecured)	23	-	1,480,000
Current tax liabilities		207,022	1,796,884
Total current liabilities		58,602,026	45,157,213
Total liabilities		65,841,193	49,250,996
TOTAL EQUITY AND LIABILITIES		246,208,557	208,475,629

Notes to and forming part of the financial statements are set out on pages 49 to 84
Auditors' Report - Page 40

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
Revenue	24	366,456,096	329,844,331
Cost of sales		(296,353,838)	(262,493,535)
Gross profit		70,102,258	67,350,796
Other operating income		1,174,547	612,556
Administrative and general expenses		(52,149,736)	(50,560,198)
Profit from operations	25	19,127,069	17,403,154
Profit from investing activities	26	3,011,454	701,583
Share of net profits of associated companies		628,322	663,608
Finance costs	27	(192,069)	(434,631)
Profit before tax		22,574,776	18,333,714
Tax expense	28	(4,190,220)	(5,154,867)
Profit for the year		18,384,556	13,178,847
Attributable to:			
Shareholders of the Company		18,357,766	13,157,310
Minority interests		26,790	21,537
		18,384,556	13,178,847
Basic earnings per share attributable to shareholders of the Company (sen)	29	18.36	17.54

Notes to and forming part of the financial statements are set out on pages 49 to 84
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2008

	Attributable to shareholders of the Company ----->						
	Share capital	Share premium	Revaluation reserve	Exchange translation reserve	Retained earnings	Total	Minority interests
	RM	RM	RM	RM	RM	RM	RM
Balance at 1 January 2007	45,000,000	-	-	11,392	74,813,308	119,824,700	221,565
Exchange differences on translating foreign operation	-	-	-	(1,796)	-	(1,796)	-
Share issue and listing expenses	-	(1,718,683)	-	-	-	(1,718,683)	-
Net expense recognised directly in equity	-	(1,718,683)	-	(1,796)	-	(1,720,479)	-
Profit for the year	-	-	-	-	13,157,310	13,157,310	21,537
Total recognised (expense)/income for the year	-	(1,718,683)	-	(1,796)	13,157,310	11,436,831	21,537
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	-	9,596	58,170,618	158,981,531	243,102
Exchange difference on translating foreign operation	-	-	-	(20,136)	-	(20,136)	-
Revaluation surplus arising from acquisition of new subsidiary company	-	-	1,400,591	-	-	1,400,591	-
Adjustment on post-acquisition profit of previously held interest in a subsidiary	-	-	-	-	1,377,720	1,377,720	-
Net income/(expense) recognised directly in equity	-	-	1,400,591	(20,136)	1,377,720	2,758,175	-
Profit for the year	-	-	-	-	18,357,766	18,357,766	26,790
Total recognised (expense)/income for the year	-	-	1,400,591	(20,136)	19,735,486	21,115,941	26,790
Balance at 31 December 2008	100,000,000	801,317	1,400,591	(10,540)	77,906,104	180,097,472	269,892
							180,367,364

Notes to and forming part of the financial statements are set out on pages 49 to 84
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CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		22,574,776	18,333,714
Adjustments for:			
Bad and doubtful debts		-	5,378
Depreciation		8,587,460	7,367,949
Gain on disposal of property, plant and equipment		(18,000)	(214,092)
Gain on disposal of assets held for sales		(495,400)	-
Property, plant and equipment written off		71,761	2,676
Amortisation of prepaid lease payments		146,055	72,165
Discount on acquisition		(1,945,816)	-
Share of net profits of associated companies		(628,322)	(663,608)
Interest income		(1,065,638)	(628,083)
Dividend income		-	(73,500)
Interest expense		192,069	434,631
Operating profit before working capital changes		27,418,945	24,637,230
Changes in inventories		(72,971)	33,759
Changes in receivables		7,788,221	(5,228,422)
Changes in payables		(3,529,338)	1,280,846
Cash generated from operations		31,604,857	20,723,413
Tax paid		(4,963,296)	(4,664,263)
Tax refunded		31,467	-
Net cash generated from operating activities		26,673,028	16,059,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	30	(27,174,206)	(12,460,261)
Proceeds from disposal of property, plant and equipment	31	18,000	288,476
Additions to prepaid lease payments	32	(9,277,954)	(515,494)
Proceeds from disposal of asset held for sales	33	4,140,146	-
Deposit paid for acquisition of leasehold land	33	-	67,647
Acquisition of new subsidiary companies	34	(6,665,617)	-
Purchase of other investments		(22,000)	-
Repayment from/(Advances to) an associated company		170,180	(348,708)
Interest received		1,065,638	628,083
Dividends received from an associated company		805,555	635,735
Dividends received from other investments		-	52,923
Net cash used in investing activities		(36,940,258)	(11,651,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	27,720,000
Payments for share issue and listing expenses		-	(1,718,683)
(Repayment)/Drawdown of revolving credits		(1,480,000)	1,480,000
Payment of hire purchase and finance lease liabilities		(3,823,922)	(6,032,439)
Interest paid		(192,069)	(434,631)
Net cash (used in)/from financing activities		(5,495,991)	21,014,247
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(15,763,221)	25,421,798
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		62,186,841	36,764,244
EFFECT OF EXCHANGE RATE CHANGES		10,529	799
CASH AND CASH EQUIVALENTS CARRIED FORWARD		46,434,149	62,186,841
Represented by:			
Fixed deposits with a licensed bank		30,775,792	41,172,746
Cash and bank balances		15,658,357	21,014,095
		46,434,149	62,186,841

Notes to and forming part of the financial statements are set out on pages 49 to 84
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BALANCE SHEET

31 DECEMBER 2008

	Note	2008 RM	2007 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	108,285,039	54,792,455
Investment in subsidiary companies	5	14,262,565	3,130,002
Investment in associated companies	6	3,000,000	5,789,000
Other investments	7	1,222,504	1,200,504
Prepaid lease payments	8	20,588,819	6,087,392
Total non-current assets		147,358,927	70,999,353
Current assets			
Trade receivables	10	56,878,623	64,041,980
Other receivables, deposits and prepayments	11	3,765,694	4,226,992
Amounts owing by subsidiary companies	12	1,365,265	1,108,508
Amounts owing by associated companies	13	807,155	983,735
Current tax asset		1,007,795	-
Fixed deposits with a licensed bank	14	30,775,792	41,172,746
Cash and bank balances	15	12,615,095	19,536,590
		107,215,419	131,070,551
Non-current assets classified as held for sale	16	-	4,104,762
Total current assets		107,215,419	135,175,313
TOTAL ASSETS		254,574,346	206,174,666
EQUITY AND LIABILITIES			
Equity			
Share capital	17	100,000,000	100,000,000
Share premium	18	801,317	801,317
Retained earnings		58,489,274	45,850,933
Total equity		159,290,591	146,652,250
Non-current liabilities			
Hire purchase and finance lease liabilities	19	750,955	1,776,846
Deferred tax liabilities	20	6,000,000	2,220,000
Total non-current liabilities		6,750,955	3,996,846
Current liabilities			
Trade payables	21	23,556,644	24,132,816
Other payables, deposits and accruals	22	29,474,656	11,277,498
Amounts owing to subsidiary companies	12	31,620,343	11,711,817
Amounts owing to associated companies	13	1,903,615	1,598,850
Hire purchase and finance lease liabilities	19	1,977,542	3,694,643
Revolving credits (unsecured)	23	-	1,480,000
Current tax liabilities		-	1,629,946
Total current liabilities		88,532,800	55,525,570
Total liabilities		95,283,755	59,522,416
TOTAL EQUITY AND LIABILITIES		254,574,346	206,174,666

Notes to and forming part of the financial statements are set out on pages 49 to 84
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INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Note	2008	2007
		RM	RM
Revenue	24	363,803,020	327,655,240
Cost of sales		(297,704,833)	(264,345,829)
Gross profit		66,098,187	63,309,411
Other operating income		829,659	378,859
Administrative and general expenses		(50,733,223)	(49,268,463)
Profit from operations	25	16,194,623	14,419,807
Profit from investing activities	26	2,154,226	1,572,453
Finance costs	27	(192,069)	(434,631)
Profit before tax		18,156,780	15,557,629
Tax expense	28	(5,518,439)	(4,593,524)
Profit for the year		12,638,341	10,964,105

Notes to and forming part of the financial statements are set out on pages 49 to 84
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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Share capital RM	Share premium RM	Retained earnings RM	Total equity RM
Balance at 1 January 2007	45,000,000	-	64,686,828	109,686,828
Net expense recognised directly in equity				
- share 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
Profit for the year	-	-	12,638,341	12,638,341
Balance at 31 December 2008	100,000,000	801,317	58,489,274	159,290,591

Notes to and forming part of the financial statements are set out on pages 49 to 84
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CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Note	2008 RM	2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		18,156,780	15,557,629
Adjustments for:			
Bad and doubtful debts		-	5,378
Depreciation		7,943,116	7,100,052
Gain on disposal of property, plant and equipment		(18,000)	(214,092)
Property, plant and equipment written off		71,761	2,676
Amortisation of prepaid lease payments		97,261	72,165
Gain on disposal of assets held for sales		(495,400)	-
Interest income		(1,065,639)	(628,083)
Dividend income		(1,088,588)	(944,370)
Interest expense		192,069	434,631
Operating profit before working capital changes		23,793,360	21,385,986
Changes in receivables		8,180,094	(5,390,416)
Changes in payables		(660,580)	298,584
Cash generated from operations		31,312,874	16,294,154
Tax paid		(4,093,147)	(3,808,307)
Net cash generated from operating activities		27,219,727	12,485,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	30	(29,836,828)	(12,352,770)
Proceeds from disposal of property, plant and equipment	31	18,000	288,476
Additions to prepaid lease payments	32	(9,277,954)	(515,494)
Proceeds from disposal of assets held for sales	33	4,140,146	-
Deposits received from disposal of long leasehold land	33	-	67,647
Acquisition of additions shares in an existing subsidiary company		(99,998)	-
Acquisition of a new subsidiary companies	34	(8,243,565)	-
Purchase of other investments		(22,000)	-
Advances to subsidiary companies		(426,530)	(528,380)
Repayment from/(Advances to) an associated company		170,180	(348,708)
Interest received		1,065,639	628,083
Dividends received from an associated company		805,555	635,735
Dividends received from other investments		-	52,923
Net cash used in investing activities		(41,707,355)	(12,072,488)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	27,720,000
Payment of share issue and listing expenses		-	(1,718,683)
(Repayment)/Drawdown of revolving credits		(1,480,000)	1,480,000
Advances from subsidiary companies		2,665,170	3,578,069
Payment of hire purchase and finance lease liabilities		(3,823,922)	(6,032,439)
Interest paid		(192,069)	(434,631)
Net cash (used in)/from financing activities		(2,830,821)	24,592,316
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(17,318,449)	25,005,675
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		60,709,336	35,703,661
CASH AND CASH EQUIVALENTS CARRIED FORWARD		43,390,887	60,709,336
Represented by:			
Fixed deposits with a licensed bank		30,775,792	41,172,746
Cash and bank balances		12,615,095	19,536,590
		43,390,887	60,709,336

Notes to and forming part of the financial statements are set out on pages 49 to 84
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1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements comply with applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board and the provisions 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 accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year except for the adoption of the following new and revised FRSs, which are relevant to the Group and the Company for financial periods beginning on or after 1 July 2007:

Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation

FRS 107 Cash Flow Statements
FRS 112 Income Taxes
FRS 118 Revenue
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

In the opinion of the directors, the adoption of the above FRSs does not result in significant financial impact on the Group and the Company.

(c) New FRSs that are not yet effective

The Group has not opted for early adoption of the following FRSs and Issues Committee Interpretation ("IC Int") which have effective dates as follows:

FRSs and IC Int		Effective for financial periods beginning on or after
FRS 8	Operating Segments	1 July 2009
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010

The adoption of the above is not expected to have any significant effects on the financial statements of the Group and of the Company upon their initial application.

The possible impact upon the initial application of FRS 139 is not disclosed as exempted under Paragraph 103AB of FRS 139.

(d) Significant accounting estimates and judgements

The preparation of financial statements in conforming with FRSs 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 2008 were RM107,590,249 and RM108,285,039 (2007 : RM55,371,819 and RM54,792,455), 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 2008 were RM61,985,708 and RM62,816,737 (2007 : RM69,494,234 and RM70,361,215), 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 conditions 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 2008 was RM864,854 (2007 : 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 and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company 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 2008 were RM5,676,967 and RM4,992,205 (2007 : RM4,097,202 and RM3,849,946), respectively.

(e) Subsidiaries

A subsidiary 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 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 their carrying amounts of the subsidiaries disposed of is taken to the income statement.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances.

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

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 (j) below.

Minority interests represent the portion of profit or loss and net assets of subsidiaries 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 (p)(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 and/or unaudited management 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) 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:

	%
Leasehold buildings	Over the remaining period of the lease
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.

(i) 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.

(j) 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 subsidiaries at the date of acquisition.

Goodwill arising on the acquisition of subsidiaries 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.

(k) 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.

(l) 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.

(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) 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, prepaid lease payments, investment in subsidiary companies and associated companies

Property, plant and equipment, prepaid lease payments, 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.

(q) 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.

(r) Payables

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

(s) 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.

(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 monetary item that form part of the Group's net investment in a foreign operation are recognised in equity as exchange translation reserve irrespective of the currency in which the monetary item is denominated and of whether the monetary item results from a transaction with the Company or any of its subsidiaries.

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.

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

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

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

(ii) Post-employment benefits

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

Deferred 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 purposes of the cash flow statements, 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.

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	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
	RM	RM	RM	RM	RM	RM	RM	RM
Cost								
At 1.1.2008	17,674,184	155,124	41,296,913	6,391,773	12,724,321	6,359,069	7,919,208	92,520,592
Acquisition of subsidiaries	5,186,086	19,592,709	-	-	-	-	-	24,778,795
Additions	3,846,711	19,335,221	19,719,124	1,237,954	1,359,649	62,934	1,831,511	47,393,104
Fair value adjustments	-	2,690,955	-	-	-	-	-	2,690,955
Disposals	-	-	(61,981)	-	-	-	-	(61,981)
Write-offs	-	-	(73,514)	(247,900)	(3,393,854)	(264,179)	-	(3,979,447)
Exchange differences	-	-	-	-	1,611	4,292	-	5,903
Reclassifications	-	8,689,377	-	1,061,342	-	-	(9,750,719)	-
At 31.12.2008	26,706,981	50,463,386	60,880,542	8,443,169	10,691,727	6,162,116	-	163,347,921
Accumulated depreciation								
At 1.1.2008	1,443,919	32,576	21,905,534	4,876,544	6,616,801	2,273,399	-	37,148,773
Acquisition of subsidiaries	6,633	13,983,664	-	-	-	-	-	13,990,297
Charge for the year	415,668	524,570	5,080,916	761,690	1,168,764	635,852	-	8,587,460
Disposals	-	-	(61,981)	-	-	-	-	(61,981)
Write-offs	-	-	(17,503)	(247,900)	(3,378,104)	(264,179)	-	(3,907,686)
Exchange differences	-	-	-	-	507	302	-	809
At 31.12.2008	1,866,220	14,540,810	26,906,966	5,390,334	4,407,968	2,645,374	-	55,757,672
Net carrying amount								
At 31.12.2008	24,840,761	35,922,576	33,973,576	3,052,835	6,283,759	3,516,742	-	107,590,249

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	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
2007	RM	RM	RM	RM	RM	RM	RM	RM
Cost								
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 carrying amount								
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

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	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
	RM	RM	RM	RM	RM	RM	RM	RM
Cost								
At 1.1.2008	17,674,184	155,124	33,585,485	6,385,143	12,689,113	6,172,935	7,919,208	84,581,192
Additions	8,994,226	27,635,221	20,391,124	1,237,954	1,354,491	62,934	1,831,511	61,507,461
Disposals	-	-	(61,981)	-	-	-	-	(61,981)
Write-offs	-	-	(73,514)	(247,900)	(3,393,854)	(264,179)	-	(3,979,447)
Reclassification	-	8,689,377	-	1,061,342	-	-	(9,750,719)	-
At 31.12.2008	26,668,410	36,479,722	53,841,114	8,436,539	10,649,750	5,971,690	-	142,047,225
Accumulated depreciation								
At 1.1.2008	1,443,919	32,576	14,599,662	4,871,664	6,605,769	2,235,147	-	29,788,737
Charge for the year	383,730	169,859	4,847,941	760,364	1,164,256	616,966	-	7,943,116
Disposals	-	-	(61,981)	-	-	-	-	(61,981)
Write-offs	-	-	(17,503)	(247,900)	(3,378,105)	(264,178)	-	(3,907,686)
At 31.12.2008	1,827,649	202,435	19,368,119	5,384,128	4,391,920	2,587,935	-	33,762,186
Net carrying amount								
At 31.12.2008	24,840,761	36,277,287	34,472,995	3,052,411	6,257,830	3,383,755	-	108,285,039

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	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
	RM	RM	RM	RM	RM	RM	RM	RM
Cost								
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 carrying amount								
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

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

	Group / Company	
	2008	2007
	RM	RM
Motor vehicles	10,608,878	11,088,459
Plant and machinery	547,472	822,846
Office equipment, furniture and fittings	7,082	8,279
	11,163,432	11,919,584

Included in property, plant and equipment are motor vehicles which are registered in the name of third parties with a net carrying amount of RM813,724 (2007 : RM243,974).

Included in property, plant and equipment are freehold land and building and long leasehold buildings which are registered in the name of subsidiaries with a net carrying amount of RM14,744,833 (2007 : Nil).

4. GOODWILL

	Group	
	2008	2007
	RM	RM
At 1 January	864,854	864,854
Additions/Disposals	-	-
At 31 December	864,854	864,854
Accumulated impairment		
At 1 January	-	-
Impairment loss	-	-
At 31 December	-	-
Net carrying amount 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	
	2008	2007
	RM	RM
Trucking 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

	2008	2007
	RM	RM
Unquoted shares at cost	14,262,565	3,130,002

The subsidiary companies are as follows:

	Equity interest		Country of incorporation	Principal activities
	2008 %	2007 %		
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
*Tasco Express Sdn Bhd (formerly known as NYK Harimau Express (Malaysia) Sdn Bhd)	100.00	100.00	Malaysia	Dormant
*Maya Kekal Sdn Bhd	100.00	-	Malaysia	Warehouse rental
*Precious Fortunes Sdn Bhd	100.00	-	Malaysia	Warehouse rental
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

* Audited by associates of Moores Rowland

6. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Unquoted shares at cost	3,000,000	5,789,000	3,000,000	5,789,000
Group's share of post-acquisition reserves and retained profits less losses	3,429,977	3,309,752	-	-
	6,429,977	9,098,752	3,000,000	5,789,000

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

	Equity interest		Principal activities
	2008 %	2007 %	
* Agate Electro Supplies Sdn Bhd ("AESSB")	50.00	50.00	Warehouse rental
** Precious Fortunes Sdn Bhd ("PFSB")	-	32.50	Warehouse rental

* Not audited by Moores Rowland

** Became a wholly owned subsidiary company of the Company on 19 February 2008.

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

	2008	2007
	RM	RM
Assets and liabilities		
Total assets	15,594,091	25,957,258
Total liabilities	2,734,138	5,031,751
Results		
Revenue	2,292,000	2,972,000
Profit after tax for the year	1,339,860	1,372,450

7. OTHER INVESTMENTS

	Group / Company	
	2008	2007
	RM	RM
Shares quoted in Malaysia at cost	26,000	33,400
Unquoted shares at cost	375,100	367,700
Transferable corporate club memberships at cost	841,403	819,403
	1,242,503	1,220,503
Diminution in value of unquoted shares	(19,999)	(19,999)
	1,222,504	1,200,504
Market value of shares quoted in Malaysia	8,600	17,140

8. PREPAID LEASE PAYMENTS

Long leasehold land	Group		Company	
	2008	2007	2008	2007
Cost	RM	RM	RM	RM
At 1 January	6,329,417	6,631,111	6,329,417	6,631,111
Acquisition of subsidiary	3,252,105	-	-	-
Additions	8,898,688	350,260	14,598,688	350,260
Transfer to assets held for sale	-	(651,954)	-	(651,954)
Fair value adjustments	3,055,061	-	-	-
At 31 December	21,535,271	6,329,417	20,928,105	6,329,417
Accumulated depreciation				
At 1 January	242,025	179,648	242,025	179,648
Acquisition of subsidiary	607,165	-	-	-
Amortisation for the year	146,055	72,165	97,261	72,165
Transfer to assets held for sale	-	(9,788)	-	(9,788)
At 31 December	995,245	242,025	339,286	242,025
Net carrying amount				
At 31 December	20,540,026	6,087,392	20,588,819	6,087,392

The title deeds to certain of the Group's and Company's leasehold land included above at a carrying amount of RM1,614,066 (2007 : RM6,011,194) have yet to be transferred or issued in the name of the Company.

The title deeds to certain leasehold land of the Company included above at a carrying amount of RM5,687,768 (2007 : Nil) is registered in the name of a subsidiary company.

9. INVENTORIES

Inventories represent parts and consumables at cost.

10. TRADE RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Gross trade receivables	58,975,573	65,871,374	58,554,572	65,717,929
Allowance for doubtful debts	(1,675,949)	(1,675,949)	(1,675,949)	(1,675,949)
	57,299,624	64,195,425	56,878,623	64,041,980

Included in trade receivables are amounts owing by:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Substantial shareholders	2,598,689	1,987,565	2,598,689	1,987,565

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

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
- RM	53,864,579	56,793,273	53,565,274	56,739,996
- United States Dollar ("USD")	4,036,711	7,838,009	4,036,711	7,838,009
- Singapore Dollar ("SGD")	377,024	547,186	255,328	447,018
- Thai Baht ("Baht")	301,458	684,728	301,458	684,728
- Euro	960	8,178	960	8,178
- Arab Emirates Dollar ("AED")	394,841	-	394,841	-
	58,975,573	65,871,374	58,554,572	65,717,929

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.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Refundable deposit paid for acquisition of leasehold land	544,500	165,234	544,500	165,234
Other sundry receivables, deposits and prepayments	3,334,429	4,149,840	3,221,194	4,061,758
	3,878,929	4,315,074	3,765,694	4,226,992

The refundable deposits of RM544,500 is paid for the acquisition of a leasehold land in Pelepas Free Zone, Port of Tanjung Pelapas, Johor Darul Takzim, for a total cash consideration of RM5,445,000. The acquisition has not been completed as at 31 December 2008. The balance of the purchase consideration is disclosed as a capital commitment in note 38.

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

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
- RM	3,858,961	4,299,628	3,765,694	4,226,992
- SGD	19,968	15,446	-	-
	3,878,929	4,315,074	3,765,694	4,226,992

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2008	2007
	RM	RM
Trade accounts	151,037	320,810
Non-interest bearing advances	1,214,228	787,698
	1,365,265	1,108,508

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:

	Company	
	2008	2007
	RM	RM
Trade accounts	1,958,631	1,867,010
Non-interest bearing advances	12,509,977	9,844,807
Unpaid consideration for property, plant and equipment acquired (see note 30)	11,451,735	-
Unpaid consideration for additions to prepaid lease payments acquired (see note 32)	5,700,000	-
	31,620,343	11,711,817

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	
	2008	2007
	RM	RM
Trade accounts	1,600	8,000
Non-interest bearing advances	805,555	975,735
	807,155	983,735

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 2.90% to 3.20% (2007 : 2.30% to 4.50%) per annum. All the deposits have maturity terms of three months or less.

The currency exposure profile of fixed deposits is as follows:

	Group / Company	
	2008	2007
	RM	RM
- RM	29,797,987	39,644,628
- USD	977,805	1,528,118
	30,775,792	41,172,746

15. CASH AND BANK BALANCES

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

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
- RM	14,910,470	19,472,044	12,051,510	18,229,979
- USD	73,611	894,269	73,611	894,269
- SGD	672,843	646,349	488,541	410,909
- Baht	1,433	1,433	1,433	1,433
	15,658,357	21,014,095	12,615,095	19,536,590

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 transaction was completed in current year.

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 transaction was completed in current year.

17. SHARE CAPITAL

	2008		2007	
	Number of shares	RM	Number of shares	RM
Authorised:				
Ordinary shares of RM1 each				
At 1 January	200,000,000	200,000,000	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	200,000,000	200,000,000
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 January	100,000,000	100,000,000	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	100,000,000	100,000,000

The Company implemented an Employees' Share Option Scheme ("ESOS") in the previous financial year in conjunction with the listing of the Company's share on the Main Board of Bursa Malaysia Securities Berhad.

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 changes to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

18. SHARE PREMIUM

	Group / Company	
	2008	2007
	RM	RM
At beginning of the year	801,317	-
Arising from public issue	-	2,520,000
Share issue and listing expenses	-	(1,718,683)
At end of the year	801,317	801,317

19. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group / Company	
	2008	2007
	RM	RM
Total future instalments payable	2,823,325	5,679,734
Unexpired term charges	(94,828)	(208,245)
Total outstanding principal	2,728,497	5,471,489
Future instalments payable		
- not later than one year	2,049,054	3,875,302
- later than one year but not later than 5 years	774,271	1,804,432
Total future instalments payable	2,823,325	5,679,734
Outstanding principal		
- not later than one year (included under current liabilities)	1,977,542	3,694,643
- later than one year but not later than 5 years	750,955	1,776,846
Total outstanding principal	2,728,497	5,471,489

The effective interest rates of the hire purchase and finance lease liabilities for the Group and for the Company are between 4.54% to 7.00% (2007 : 4.84% to 7.00%) per annum.

20. DEFERRED TAX LIABILITIES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
At beginning of the year	2,316,937	2,211,844	2,220,000	2,048,000
Acquisition of subsidiary	1,854,510	-	-	-
Transfer from income statement	1,869,308	105,093	3,780,000	172,000
Fair value adjustments	447,457	-	-	-
At end of the year	6,488,212	2,316,937	6,000,000	2,220,000

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

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	6,881,723	3,967,435	6,840,968	3,870,498
- surplus on revaluation of land and buildings	447,457	-	-	-
- allowance for doubtful debts	(418,987)	(418,987)	(418,987)	(418,987)
- unpaid qualifying expenditure of hire purchase and finance lease liabilities	(421,981)	(1,231,511)	(421,981)	(1,231,511)
	6,488,212	2,316,937	6,000,000	2,220,000

21. TRADE PAYABLES

Included in trade payables are amounts owing to:

	Group / Company	
	2008	2007
	RM	RM
Substantial shareholders	713,793	1,958,029
Director-related company	33,818	67,637

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
- RM	18,465,234	18,083,055	18,101,413	17,871,232
- USD	1,379,732	1,998,890	1,379,732	1,998,890
- Baht	1,491,571	919,771	1,491,571	919,771
- Japanese Yen ("JPY")	1,160,804	1,779,241	1,160,804	1,779,241
- SGD	1,139,219	1,104,504	1,093,727	1,006,593
- Euro	112,707	262,837	112,707	262,837
- Hong Kong Dollars ("HKD")	102,998	174,926	102,998	174,926
- Sterling Pound ("GBP")	46,623	12,086	46,623	12,086
- Others	67,069	107,240	67,069	107,240
	23,965,957	24,442,550	23,556,644	24,132,816

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	
	2008	2007	2008	2007
	RM	RM	RM	RM
Deposit received from disposal of a long leasehold land (see note 33)	-	460,016	-	460,016
Unpaid consideration for property, plant and equipment acquired (see note 30)	19,137,968	-	19,137,968	-
Other sundry payables, deposits and accruals	11,409,922	11,684,270	10,336,688	10,817,482
	30,547,890	12,144,286	29,474,656	11,277,498

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

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
- RM	30,500,674	12,136,577	29,474,656	11,277,498
- SGD	47,216	7,709	-	-
	30,547,890	12,144,286	29,474,656	11,277,498

23. REVOLVING CREDITS

The revolving credits were unsecured and bear interest at 0.50% above the lender bank's cost of funds. The effective interest rate in 2007 was 4.25% per annum.

24. REVENUE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Air freight forwarding	157,796,647	148,708,370	157,796,647	148,708,370
Customs forwarding	64,951,035	53,998,335	64,951,035	53,998,335
Warehousing	42,917,783	36,243,065	42,620,783	36,243,065
Container haulage	13,023,922	12,796,280	13,023,922	12,796,280
Trucking	57,178,537	47,961,326	54,822,461	45,772,235
Sea freight forwarding	24,448,666	22,983,727	24,448,666	22,983,727
Auto logistic services	4,304,954	6,090,683	4,304,954	6,090,683
Buyer consolidation services	1,834,552	1,062,545	1,834,552	1,062,545
	366,456,096	329,844,331	363,803,020	327,655,240

25. PROFIT FROM OPERATIONS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Profit from operations is stated after charging:				
Amortisation of prepaid lease payments	146,055	72,165	97,261	72,165
Auditors' remuneration				
- statutory audit	108,287	53,913	60,000	33,000
- overprovision in prior year	(3,653)	-	-	-
- special audit	-	41,300	-	40,800
- underprovision in prior year	11,450	8,913	11,950	-
- other services	5,000	-	5,000	-
- underprovision in prior year	5,000	-	5,000	-
Bad debts written off	-	5,378	-	5,378
Depreciation	8,587,460	7,367,949	7,943,116	7,100,052
Directors' remuneration				
- fees	172,000	69,000	172,000	69,000
- other emoluments	2,526,160	2,038,351	2,204,678	1,727,054
Property, plant and equipment written off	71,761	2,676	71,761	2,676
Realised loss on foreign exchange	922	927,913	-	927,913

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Operating leases				
- minimum lease payments for				
- land and buildings	6,199,634	7,397,212	5,907,291	7,137,717
- trucks	1,746,855	1,413,014	2,615,451	2,908,698
- forklifts	782,762	713,676	761,504	693,353
- office equipment	588,897	539,030	588,897	539,030
and crediting:				
Bad debts recovered	-	19,289	-	19,289
Gain on disposal of				
- property, plant and equipment	18,000	214,092	18,000	214,092
- assets held for sales	495,400	-	495,400	-
Realised gain on foreign exchange	179,839	-	179,839	-
Operating lease income from				
- land and buildings	297,000	8,400	4,200	4,200
- trucks	-	-	607,572	607,572

26. PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Gross dividends from				
- an associated company	-	-	1,088,588	870,870
- other investments				
- quoted in Malaysia	-	300	-	300
- unquoted	-	73,200	-	73,200
Interest income	1,065,638	628,083	1,065,638	628,083
Discount on acquisition of subsidiaries	1,945,816	-	-	-
	3,011,454	701,583	2,154,226	1,572,453

27. FINANCE COSTS

	Group / Company	
	2008	2007
	RM	RM
Interest paid and payable on		
- hire purchase	186,378	424,426
- finance lease	-	2,994
- revolving credits	5,691	7,211
	192,069	434,631

28. TAX EXPENSE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Malaysian tax based on results for the year				
- current	2,356,758	5,147,665	1,750,000	4,500,000
- deferred	1,557,766	315,137	3,487,865	382,000
	3,914,524	5,462,802	5,237,865	4,882,000
Under/(Over) provision in prior years				
- current	(16,439)	(97,891)	(11,561)	(78,476)
- deferred	292,135	(210,044)	292,135	(210,000)
	4,190,220	5,154,867	5,518,439	4,593,524

The statutory tax rate applicable to the Company was reduced from 27% in 2007 to 26% in 2008.

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		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Accounting profit	21,946,454	17,670,106	18,156,780	15,557,629
Taxation at applicable statutory tax rate	5,549,312	4,690,082	4,720,763	4,200,560
Tax effects arising from:				
- non-taxable income	(128,804)	(15,786)	(128,804)	(15,786)
- non-deductible expenses	483,972	832,938	784,337	804,154
Originating of deferred tax assets not recognised	3,438	53,237	-	-
Effect of different tax rate in another country	432	7,965	-	-
Effect of change in future tax rate	(139,316)	(105,634)	(138,431)	(106,928)
Realisation of deferred tax liability on disposal of leasehold land and building	(1,854,510)	-	-	-
Under/(Over)provision in prior years	275,696	(307,935)	280,574	(288,476)

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		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Unabsorbed tax losses	912,508	1,063,533	-	-

29. 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 RM18,357,766 (2007 : RM13,157,310) by the weighted average number of shares in issue of 100,000,000 (2007 : 75,007,123). The weighted average number of shares in issue is calculated as follows:

	2008	2007
	RM	RM
Number of ordinary shares at beginning of the year	100,000,000	45,000,000
Effect of shares issued pursuant to		
- bonus issue	-	29,800,000
- public issue	-	207,123
Weighted average number of ordinary shares	100,000,000	75,007,123

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.

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Aggregate cost of property, plant and equipment acquired	47,393,104	14,312,896	61,507,461	14,205,405
Financed via hire purchase and finance lease	(1,080,930)	(1,852,635)	(1,080,930)	(1,852,635)
Unpaid balance included under other payables, deposits and accruals (see note 22)	(19,137,968)	-	(19,137,968)	-
Unpaid balance included under amount owing to subsidiary companies (see note 12)	-	-	(11,451,735)	-
Total cash paid during the financial year	27,174,206	12,460,261	29,836,828	12,352,770

31. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group / Company	
	2008	2007
	RM	RM
Net carrying amount of property, plant and equipment disposed of	-	74,384
Gain on disposal	18,000	214,092
Total cash received during the financial year	18,000	288,476

32. ADDITIONS TO PREPAID LEASE PAYMENTS

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Aggregate cost of prepaid lease payment	8,898,688	350,260	14,598,688	350,260
Unpaid balance included under amount owing to a subsidiary company (see note 12)	-	-	(5,700,000)	-
Deposit paid in prior year	(165,234)	-	(165,234)	-
Deposit paid in current year	544,500	165,234	544,500	165,234
Total cash paid during the financial year	9,277,954	515,494	9,277,954	515,494

33. PROCEEDS FROM DISPOSAL OF ASSETS HELD FOR SALES

	Group / Company	
	2008	2007
	RM	RM
Net carrying amount of assets held for sales disposed of	4,104,762	-
Gain on disposal	495,400	-
Total proceeds receivables	4,600,162	-
Deposit received in prior years (see note 22)	(460,016)	-
Deposit received in current year	-	67,647
Total cash received during the financial year	4,140,146	67,647

34. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES

Details of the new subsidiaries acquired during 2008 are as follows:

Name of subsidiary company	Cash consideration RM	Equity interest acquired %	Effective acquisition date
Maya Kekal Sdn Bhd ("MYSB")	2,506,065	100	11 February 2008
Precious Fortune Sdn Bhd ("PFSB")	5,737,500	67.5	19 February 2008

Prior to the acquisition, the Company owned 32.50% equity interest in its associated company, PFSB.

Upon acquisition, PFSB became a wholly-owned subsidiary.

Details of the assets, liabilities and net cash outflow arising from the acquisition of PFSB and MYSB in 2008 were as follows:

	Carrying amount RM
Non-current assets	17,311,999
Current assets	1,642,501
Current liabilities	(3,041,347)
Non-current liabilities	(1,854,510)
Net assets acquired	14,058,643
Net assets previously held and treated as investment in associate	(3,869,262)
Discount on acquisition recognised in the income statement	(1,945,816)
Total purchase consideration	8,243,565
Less: Cash and cash equivalents acquired	(1,577,948)
Net cash outflow on acquisition	6,665,617

The revenue and results for the year in which the acquisitions took place and their post acquisition contribution included in the consolidated income statement were as follows:

	2008 RM
Revenue	
During the financial year	855,000
Pre-acquisition	-
Post-acquisition	855,000
Results for the year	
Profit during the financial year	1,501,916
Pre-acquisition profit	(1,876,742)
Post-acquisition loss	(374,826)

The net assets of the acquired subsidiary companies included in the consolidated balance sheet at the end of the financial year were as follows:

	2008 RM
Current assets	18,558,739
Current liabilities	(661,298)
Group's share of net assets	17,897,441

35. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Employee benefits expense	39,853,334	36,802,269	33,383,083	31,230,851

Included in the employee benefits expense are EPF contributions amounting to RM3,061,146 (2007 : RM2,813,353) for the Group and RM2,563,306 (2007 : RM2,415,824) for the Company.

36. RELATED PARTY DISCLOSURES

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

	---- Transaction value ----		-- Balance outstanding --	
	Company		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Transactions with subsidiary companies				
Rental of trucks paid and payable to subsidiary companies	1,476,168	1,495,684	328,637	445,956
Labour charges paid and payable to subsidiary companies	5,549,666	4,903,629	778,169	663,202
Maintenance charges paid and payable to a subsidiary company	3,534,485	2,750,597	718,630	695,436
Handling fees paid and payable to a subsidiary company	741,065	719,362	131,995	61,616
Related logistic services paid to a subsidiary company	5,200	4,800	1,200	800
Labour charges received and receivable from a subsidiary company	58,184	114,513	3,266	107,226
Rental of premises received from a subsidiary company	4,200	4,200	-	-
Rental of trucks received and receivable from a subsidiary company	607,572	607,572	54,771	213,584
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	21,172,000	-	17,151,735	-
Warehouse rental received and receivables to a subsidiary company	558,000	-	93,000	-
Accounting fee received from a subsidiary company	6,000	-	-	-

	---- Transaction value ----		-- Balance outstanding --	
	Group / Company		Group / Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Transactions with associated companies				
Rental of premises paid to associated companies	1,128,600	1,808,600	1,903,615	1,598,850
Accounting fee received from associated companies	22,200	37,200	1,600	8,000
Transactions with substantial shareholders				
Related logistic services received and receivable from certain substantial shareholders	26,355,869	25,681,182	2,598,689	1,987,565
Related logistic services paid and payable to substantial shareholders	17,492,970	15,783,813	713,793	1,958,029

	---- Transaction value ----		-- Balance outstanding --	
	Group / Company	Group / Company	Group / Company	Group / Company
	2008	2007	2008	2007
	RM	RM	RM	RM
Transactions with related parties				
Related logistic services received and receivable from related parties	33,854,175	35,975,118	4,341,878	8,221,232
Related logistic services paid and payable to related parties	32,151,205	28,032,418	2,563,456	3,267,104
Transactions with a company in which a director's immediate family member has interest				
Rental paid and payable	405,821	370,112	33,818	67,637

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

Directors	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Short-term employee benefits				
- Remuneration	2,533,718	1,945,082	2,212,236	1,633,785
Post-employment benefits				
- EPF	164,442	162,269	164,442	162,269
	2,698,160	2,107,351	2,376,678	1,796,054
Other key management personnel				
Short-term employee benefits				
- Salary, bonus and allowances	1,968,079	1,683,361	1,968,079	1,683,362
Post-employment benefits				
- EPF	194,529	177,490	194,529	177,490
	2,162,608	1,860,851	2,162,608	1,860,852
Total compensation	4,860,768	3,968,202	4,539,286	3,656,906

37. 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	
	2008	2007	2008	2007
	RM	RM	RM	RM
Not later than one year	2,336,781	143,202	900,000	-
Later than one year but not later than 5 years	7,635,000	143,202	3,930,000	-
	9,971,781	286,404	4,830,000	-

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 runs for 2 years and 3 months with an option to renew for another 2 years and no contingent rents are charged.

38. OTHER COMMITMENTS

	Group / Company	
	2008	2007
	RM	RM
Authorised but not contracted for acquisition of leasehold land	4,900,500	1,487,130
Authorised and contracted acquisition of property, plant and equipment not provided for in the financial statements	-	514,792
	4,900,500	2,001,922

39. FINANCIAL INSTRUMENTS

(a) *Foreign currency exchange risk*

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

	Amount to be paid equivalent		Average contractual rate	<-- settlement period -->	
	JPY	RM		Within 1 year	2 to 5 years
				RM	RM
2008					
Trade payables	21,829,759	854,381	0.039	854,381	-
2007					
Trade payables	49,287,398	1,499,099	0.030	1,499,099	-

(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
	RM	RM
2008		
Other investments		
Shares quoted in Malaysia	26,000	8,600
Unquoted shares	355,101	*
Transferable corporate club memberships	841,403	*
2007		
Other investments		
Shares quoted in Malaysia	33,400	17,140
Unquoted shares	347,701	*
Transferable corporate club memberships	819,403	*

- * 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.

40. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

- (i) International Air Freight Division ("IAFD")
 - Air freight forwarding
- (ii) Forwarding Division ("FD")
 - Customs forwarding, warehousing and container haulage
- (iii) Trucking Division ("TD")
 - Trucking
- (iv) International Sea Freight Division ("ISFD")
 - Sea freight forwarding
- (v) Auto logistic Division ("AD")
 - Auto logistics services
- (vi) International Network Solutions Division ("INSD")
 - Buyer consolidation services

2008	IAFD	FD	TD	ISFD	AD	INSD	Consolidated
	RM	RM	RM	RM	RM	RM	RM
REVENUE							
External sales	157,796,647	120,892,740	57,178,537	24,448,666	4,304,954	1,834,552	366,456,096
RESULTS							
Segment results	3,429,211	8,730,825	5,713,462	1,089,245	133,430	38,726	19,134,899
Unallocated corporate expense							(7,830)
Profit from operations	-	-	-	-	-	-	19,127,069
Profit from investment activities	-	-	-	-	-	-	3,011,454
Share of associated companies' profits	-	628,322	-	-	-	-	628,322
Finance costs	-	-	-	-	-	-	(192,069)
Profit before tax							22,574,776
Tax expense							(4,190,220)
Profit for the year							18,384,556

40. SEGMENTAL ANALYSIS (continued)

2008	IAFD	FD	TD	ISFD	AD	INSD	Consolidated
	RM	RM	RM	RM	RM	RM	RM
OTHER INFORMATION							
Segment assets	50,119,027	89,662,770	51,887,984	6,257,383	13,322,418	334,960	211,584,542
Investment in associated companies	-	6,429,977	-	-	-	-	6,429,977
Unallocated corporate assets	-	-	-	-	-	-	27,175,771
Current tax assets	-	-	-	-	-	-	1,018,267
Consolidated total assets							246,208,557
Segment liabilities	5,897,082	17,267,938	22,804,598	936,057	327,300	58,969	47,291,944
Unallocated corporate liabilities	-	-	-	-	-	-	11,854,015
Current and deferred tax liabilities	-	-	-	-	-	-	6,695,234
Consolidated total liabilities							65,841,193
Capital expenditure	10,000,283	18,884,426	17,476,545	11,740	8,817,623	600	
Amortisation and depreciation	988,309	4,462,101	2,069,400	19,819	270,767	24,568	
Other non-cash items	8,663	(2,573,324)	4,487	-	-	-	

40. SEGMENTAL ANALYSIS (continued)

2007	IAFD	FD	TD	ISFD	AD	INSD	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
Profit from investment activities	-	-	-	-	-	-	701,583
Share of associated companies' profits	-	663,608	-	-	-	-	663,608
Finance cost	-	-	-	-	-	-	(434,631)
Profit before tax							18,333,714
Tax expense							(5,154,867)
Profit for the year							13,178,847

	IAFD	FD	TD	ISFD	AD	INSD	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	-	

(b) Secondary reporting format - geographical segment

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

41. SIGNIFICANT SUBSEQUENT EVENT

Nippon Yusen Kabushiki Kaisha ("NYK"), a listed company in Japan, had on 23 March 2009 increased NYK Group's interest in the Company from 27.74% to 61.32%. The Company had since become a subsidiary of NYK Group.

42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 14 April 2009 by the board of directors.

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 41 to 84 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 2008 and of their results and cash flows for the year then ended;
- (b) in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965.

Signed on behalf of the directors in accordance
with a directors' resolution dated 14 April 2009

LEE CHECK POH
Director

AHMAD BIN ISMAIL
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 41 to 84 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 14 April 2009)
)
)
) 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 31.12.2008 (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, Shah Alam Logistics Centre and Shah Alam Truck Freight Station	Freehold	Land - 12,141 Built-up - 12,856	11 years	29 Dec 2003	14,593
2	Bandar Baru Bangi PN 29929 Lot 46860 Bandar Baru Bangi, Ulu Langat, Selangor Bandar Baru Bangi HS(D) 109635 PT 61734 Seksyen 10, Bandar Baru Bangi, Ulu Langat, Selangor	Industrial Land Industrial Land	Bandi Auto Logistics Centre	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119	1 year	25 May 2004	14,535
3	Port Klang Lot 22 Lengkungan Sultan Hishamuddin North Klang Straits Industrial Estate Mukim Kapar, Kawasan 20 40000 Port Klang Selangor	Industrial Land	Port Klang Logistics Centre	Leasehold 99 years expiring 09.06.2086	Land - 29,509 Built-up - 17,078	17 years	19 Feb 2008	13,960
4	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, 13600 Prai , Pulau Pinang	Industrial Land	Penang Prai Logistics Centre and Penang Truck Freight Station	Leasehold 60 years expiring 08.05.2052	Land - 20,611 Built-up - 9,282	17 years	18 Jul 2008	13,022
5	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas Pulau Pinang	Industrial Land	Penang Air Freight Station	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	2 years	04 Jun 2008	8,044
6	Alor Gajah Plot 23 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah Melaka	Industrial Land	Melaka Logistics Centre and Melaka Truck Freight Station	NA ¹	Land - 10,234 Built-up - 4,278	1 year	17 Mar 2008	7,109
7	Petaling No. 9 Jalan SS8/4 Sungai Way Industrial Free Trade Zone, 47300 Petaling Jaya, Selangor	Industrial Land	Sungai Way Logistics Centre	Freehold	Land - 3,559 Built-up - 1,592	35 years	11Feb 2008	6,473

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 31.12.2008 (RM'000)
8	149714 - 149715, Lebuh Perusahaan Klebang 11, IGB Industrial Park, Off Jalan Kuala Kangsar 31200 Ipoh Perak	Industrial Land	Ipoh Logistics Centre and Ipoh Truck Freight Station	Freehold	Land - 9,864 Built-up - 1,794	1 year	11 Jan 2007	3,775
9	Bandar Baru Bangi No. 19, Jalan P/9A, Kawasan Perusahaan Seksyen 13 Bandar Baru Bangi Selangor	Industrial Land	Bangi Truck Freight Station	Leasehold 99 years expiring 29.09.2086	Land - 465 Built-up - 195	18 years	22 May 1991	196

Note:

1. Application for sub-division of the land is pending for approval. The lease will commence upon the issuance of individual land title.

ANALYSIS OF SHAREHOLDINGS

As at 14 April 2009

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	450	432,300	0.43
1,001 to 10,000 shares	1182	5,501,348	5.50
10,001 to 100,000 shares	268	7,405,300	7.41
100,001 to less than 5% of issued shares	61	54,161,000	54.16
5% and above of issued shares	5	32,500,000	32.50
Total	1,968	100,000,000	100.00

LIST OF 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. Hachiuma Steamship Co Ltd	3,000,000	3.00
7. Nippon Yusen Kabushiki Kaisha	3,000,000	3.00
8. NYK Logistics (Asia) Pte Ltd	3,000,000	3.00
9. NYK Logistics (Asia) Pte 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. Yusen Air & Sea Service Co.Ltd	3,000,000	3.00
13. NYK Logistics (Asia) 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
22. Nippon Yusen Kabushiki Kaisha	1,379,970	1.38
23. Yusen Air & Sea Service Co. Ltd	1,219,931	1.22
24. Kombinasi Restu (M) Sdn Bhd	1,079,774	1.08
25. Lau Peng Kee @ Low Peng Pooi	869,500	0.87

LIST OF 30 LARGEST SHAREHOLDERS (cont')

Name of Shareholders	No. of Shares	%
26. Lau Peng Kee @ Low Peng Pooi	771,400	0.77
27. Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Kin Nam @ Yong Chiam Chin	645,600	0.65
28. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Yoong Nyock	550,000	0.55
29. Tuw Fong Liong	548,000	0.55
30. Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Renitrans Sdn Bhd	500,000	0.50
Total	78,684,500	78.68

SUBSTANTIAL SHAREHOLDERS

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

Name	Direct	%	Indirect	%
1. Kombinasi Restu (M) Sdn Bhd	33,579,774	33.58	-	-
2. Yusen Air & Sea Service Co. Ltd	10,219,931	10.22	33,579,774 ¹	33.58
3. Real Fortune Portfolio Sdn Bhd	9,830,438	9.83	-	-
4. NYK Logistics (Asia) Pte Ltd	8,759,941	8.76	-	-
5. Hachiuma Steamship Co. Ltd	4,379,971	4.38	-	-
6. Nippon Yusen Kabushiki Kaisha	4,379,970	4.38	56,939,617 ²	56.94
7. Tan Sri Asmat Bin Kamaludin	-	-	37,229,749 ³	37.23
8. Lee Check Poh	-	-	9,830,438 ⁴	9.83
9. NYK Logistics (Japan) Co Ltd	-	-	8,759,941 ⁵	8.76

DIRECTORS' SHAREHOLDINGS

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

Name Of Director	Direct	%	Indirect	%
1. Tan Sri Asmat Bin Kamaludin	-	-	37,229,749 ³	37.23
2. Lee Check Poh	-	-	9,830,438 ⁴	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	11,000	0.01	-	-

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

SUBSIDIARY AND ASSOCIATED COMPANIES

SUBSIDIARY COMPANIES

	Country	Group Effective Interest		Principal Activities
		% 2007	% 2008	
1. Baik Sepakat Sdn Bhd	Malaysia	100.00	100.00	Truck rental and insurance agency services
2. Tunas Cergas Logistik Sdn Bhd	Malaysia	100.00	100.00	Truck, rental, in-house truck repair and maintenance and the provision of other related logistics services
3. Emulsi Teknik Sdn Bhd	Malaysia	100.00	100.00	Truck rental
4. TASCO Express Sdn Bhd (formerly known as NYK Harimau Express (Malaysia) Sdn Bhd)	Malaysia	100.00	100.00	Dormant
5. Piala Kristal (M) Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services
6. Omega Saujana Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services
7. Maya Kekal Sdn Bhd	Malaysia	-	100.00	Warehouse rental
8. Precious Fortunes Sdn Bhd ¹	Malaysia	32.50	100.00	Warehouse rental
9. Trans-Asia Shipping Pte Ltd	Singapore	100.00	100.00	Customs broking, handling agency and freight forwarding services

ASSOCIATED COMPANIES

	Country	Group Effective Interest		Principal Activities
		% 2007	% 2008	
1. Agate Electro Supplies Sdn Bhd	Malaysia	50	50	Warehouse rental

Note:

1. Prior to the acquisition, the Company owned 32.50% equity interest in its associated company, Precious Fortunes Sdn Bhd. Upon acquisition, Precious Fortunes Sdn Bhd became a wholly owned subsidiary.

NOTICE OF THIRTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth 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, 10 June 2009 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 2008 and the Reports of Directors and Auditors thereon.	Ordinary Resolution 1
2. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Articles of Association:- 2.1 Tan Sri Asmat Bin Kamaludin 2.2 Tan Hock Huat 2.3 Ahmad Bin Ismail	Ordinary Resolution 2 Ordinary Resolution 3 Ordinary Resolution 4
3. To re-elect the following Director who retires pursuant to Article 83 of the Company's Articles of Association:- 3.1 Tomoaki Handa	Ordinary Resolution 5
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration. Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 (a copy of which is annexed and marked "Annexure A" as in the Annual Report 2008) has been received by the Company for the nomination of Messrs Mazars, who have given their consent to act, for appointment as Auditors of the Company.	Ordinary Resolution 6
5. PROPOSED RENEWAL OF 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, pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Parties as detailed in Section [2.3.2] of the Circular to Shareholders dated 19 May 2009 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company. AND THAT such approval shall continue to be in force until:- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or (c) revoked or varied by a resolution passed by the shareholders in a general meeting; whichever is earlier; AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature."	Ordinary Resolution 7

6. AUTHORITY TO ISSUE SHARES

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.”

Ordinary Resolution 8

7. PROPOSED CHANGE OF NAME

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

“THAT the name of the Company be hereby changed from “Trans-Asia Shipping Corporation Berhad” to “TASCO Berhad” with effect from the date of the Certificate of Incorporation on Change of Name of Company issued by the Companies Commission of Malaysia and that the name of the Company wherever it appears in the Memorandum and Articles of Association be amended accordingly.

AND THAT the Directors of the Company be hereby authorised to carry out all the necessary formalities in effecting the change of name.”

Special Resolution

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

BY ORDER OF THE BOARD

KANG SHEW MENG

SEOW FEI SAN

LOH LAI LING

Secretaries

Petaling Jaya

Date : 19 May 2009

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 7

Proposed Renewal of Shareholders' Mandate for Recurrent Transactions

The Ordinary Resolution 7 proposed under item 5, 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 19 May 2009, which is despatched together with the Company's Annual Report 2008.

Ordinary Resolution 8

Authority to Issue Shares

The proposed Ordinary Resolution 8, 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.

Special Resolution

Proposed Change of Name

The proposed Special Resolution, if passed, will result in the change of name of the Company from “Trans-Asia Shipping Corporation Berhad” to “TASCO Berhad”. Please refer to the Circular to Shareholders dated 19 May 2009 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Directors Standing for Re-election / Re-appointment at the Thirty-Fourth Annual General Meeting

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

Tan Sri Asmat Bin Kamaludin	Article 77
Tan Hock Huat	Article 77
Ahmad Bin Ismail	Article 77
Tomoaki Handa	Article 83

The profile of the Directors standing for re-election is set out on [page] of the Annual Report.

LETTER OF NOMINATION

Tan Hock Huat
No. 23 Jalan SS17/1C
47500 Subang Jaya
Selangor Darul Ehsan.

24 April 2009

The Board of Directors
Trans-Asia Shipping Corporation Berhad
312, 3rd Floor
Block C, Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs

RE: NOTICE OF NOMINATION OF MESSRS MAZARS

I, Tan Hock Huat, a member of the company, hereby give notice, pursuant to section 172(11) of the Companies Act, 1965 of my nomination of Messrs Mazars as auditors of the company in place of the retiring auditors, Messrs Moores Rowland.

Yours faithfully



Tan Hock Huat

PROXY FORM

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-Fourth Annual General Meeting of the Company to be held at Holiday Inn Glenmarie Kuala Lumpur on Wednesday, 10 June 2009 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		
Special Resolution		

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 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.

First fold here

More than 30 offices and



1,000

employees in Malaysia.

Padang Besar TFS

Penang AFS

Toray Office

Penang TFS / Penang Prai Logistics Centre

Ipoh TFS / Ipoh Logistics Centre

Vehicle Distribution Centre

Port Klang Logistics Centre

North Port Logistics Centre

Shah Alam TFS / Shah Alam Logistics Centre

MTV Office

Kuantan Port Logistics Centre

Sungai Way Logistics Centre

Bangi Haulage Container

Depot / BLC Office

Bangi Auto Logistics Centre

Bangi TFS

KLIA AFS

Melaka TFS /

Melaka Logistics Centre

KM Office

MPT Office

Senai TFS

Senai AFS

PTP Office

Causeway TFS

Singapore TFS

Pasir Gudang Logistics Centre

Kuching AFS

Kota Kinabalu
Logistics Centre

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

www.itasco.com.my



One Team, One Mind, One Direction

Trans-Asia Shipping Corporation Berhad (20218-T)
Corporate Head Office
Lot 2-25, 2-27 & 2-29, Jalan SU 7 Persiaran Tengku Ampuan
Lion Industrial Park II, Section 26, 40000 Shah Alam, Selangor, Malaysia.
Tel : 603 - 5101 8888 Fax : 603 - 5192 4678 Website : www.tasco.com.my

5 "R" - Right Condition
Right Person
Right Place
Right Time
Right Quantity