Globally Dedicated Locally Focused

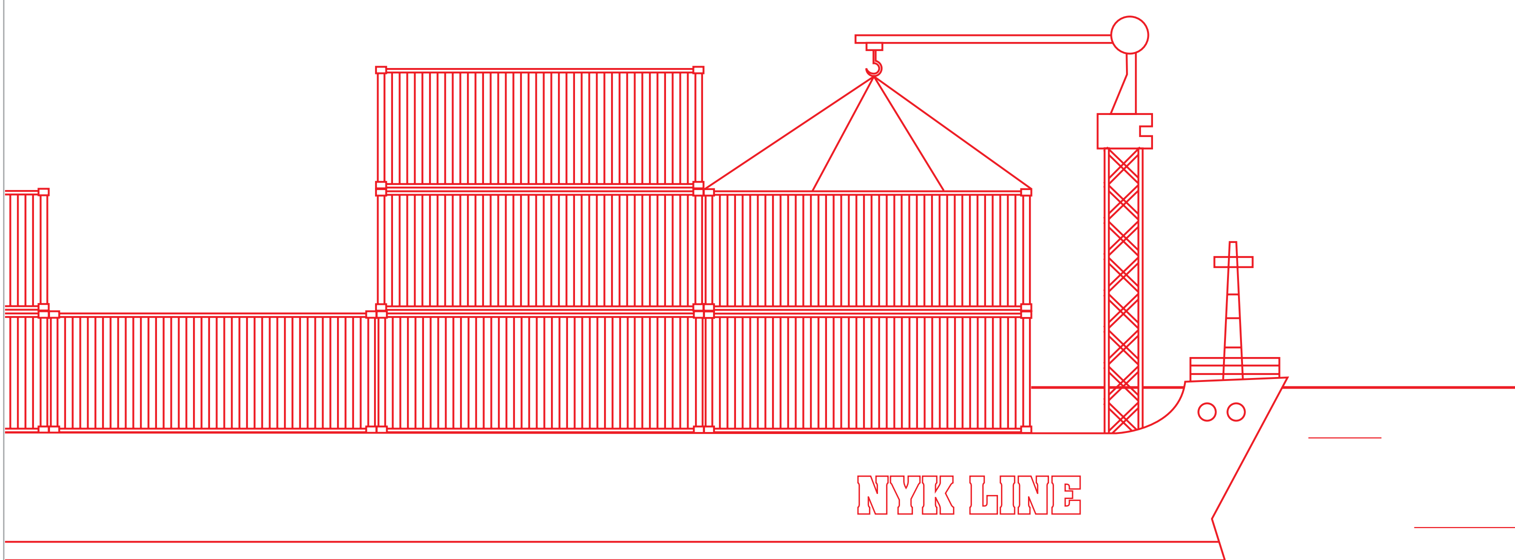
TASCO
NYK GROUP COMPANY

Annual Report 2009

Contents

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 undue reliance on these forward-looking statements, which are valid only as of the date thereof. TASCO Berhad 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.



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

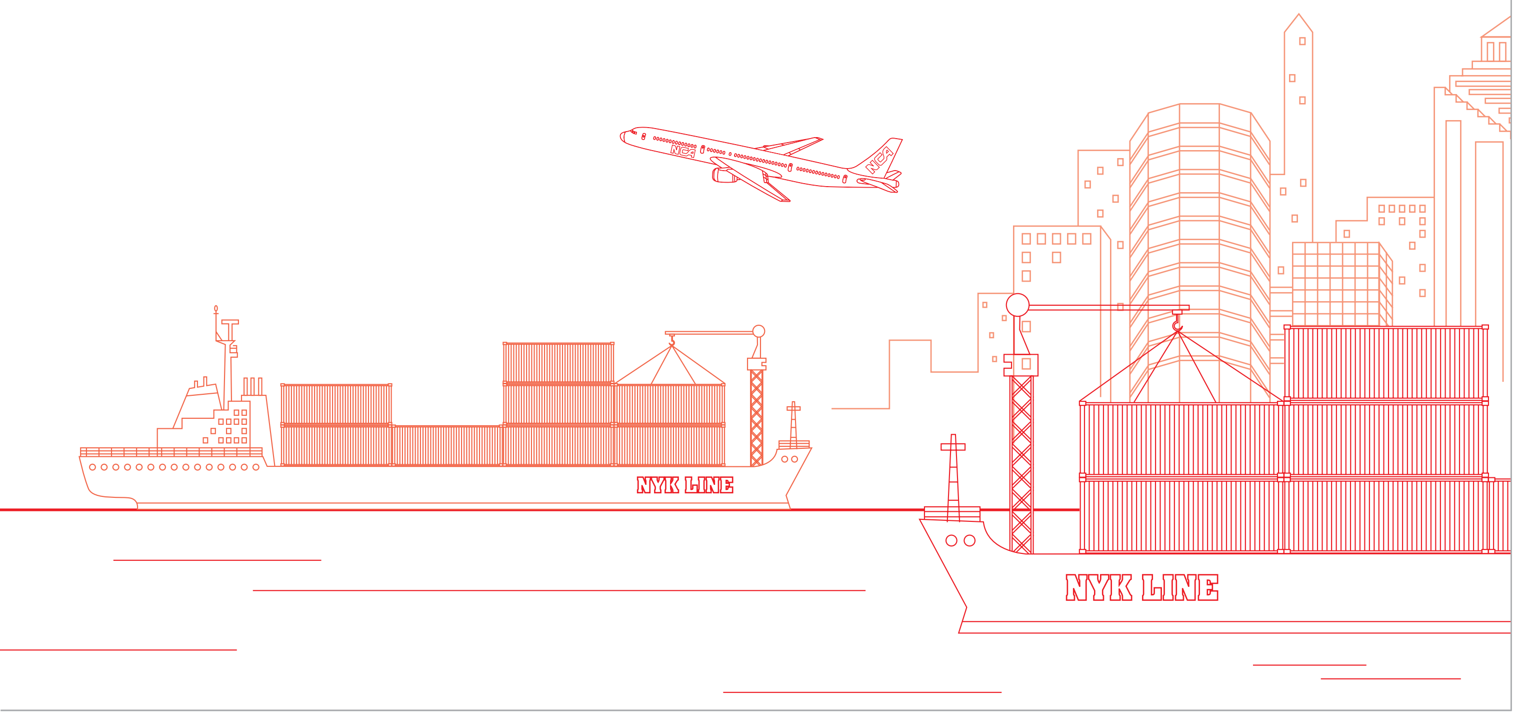
- Be respectful and considerate to our customers and colleagues. Stay warm, cordial courteous and caring.

INNOVATION 創意

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

INTENSITY 熱意

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



About Us

About TASCO Berhad ("TASCO")

TASCO was incorporated on 10 September 1974 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 December 2007. It is also a subsidiary of Nippon Yusen Kabushiki Kaisha which is a Global Fortune 500 company.

TASCO has more than 30 branches and 1,000 employees in Malaysia. It is also affiliated with 290 offices and 50,000 employees under the global network.

TASCO offers logistics solutions covering air, sea and land transportation. It serves as a one stop logistics centre to handle domestic and international shipments for the customers.

TASCO has categorised its services into International Logistics Solutions and Domestic Logistics Solutions.

International Logistics Solutions

YUSEN GLOBAL LOGISTICS
AIR & SEA SERVICE

NYK LOGISTICS
& MEGACARRIER

International Air Freight Division

- Air Freight Services

International Sea Freight Division

- Sea Freight Services

International Network Solutions Division

- Buyer Consolidation Services

About Us

About Nippon Yusen Kabushiki Kaisha ("NYK")

- NYK is listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange;
- NYK is a Global Fortune 500 company (rank 371 in 2009) and has more than 50,000 employees worldwide;
- NYK's major businesses consist of Shipping Business (Liner and Bulk), Logistics Business, Terminal and Harbour Transport Business, Cruise Business and Air Cargo Transportation.

About Yusen Air & Sea Service Co. Ltd. ("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.

Domestic Logistics Solutions

TASCO

HARIMAU EXPRESS

Forwarding Division

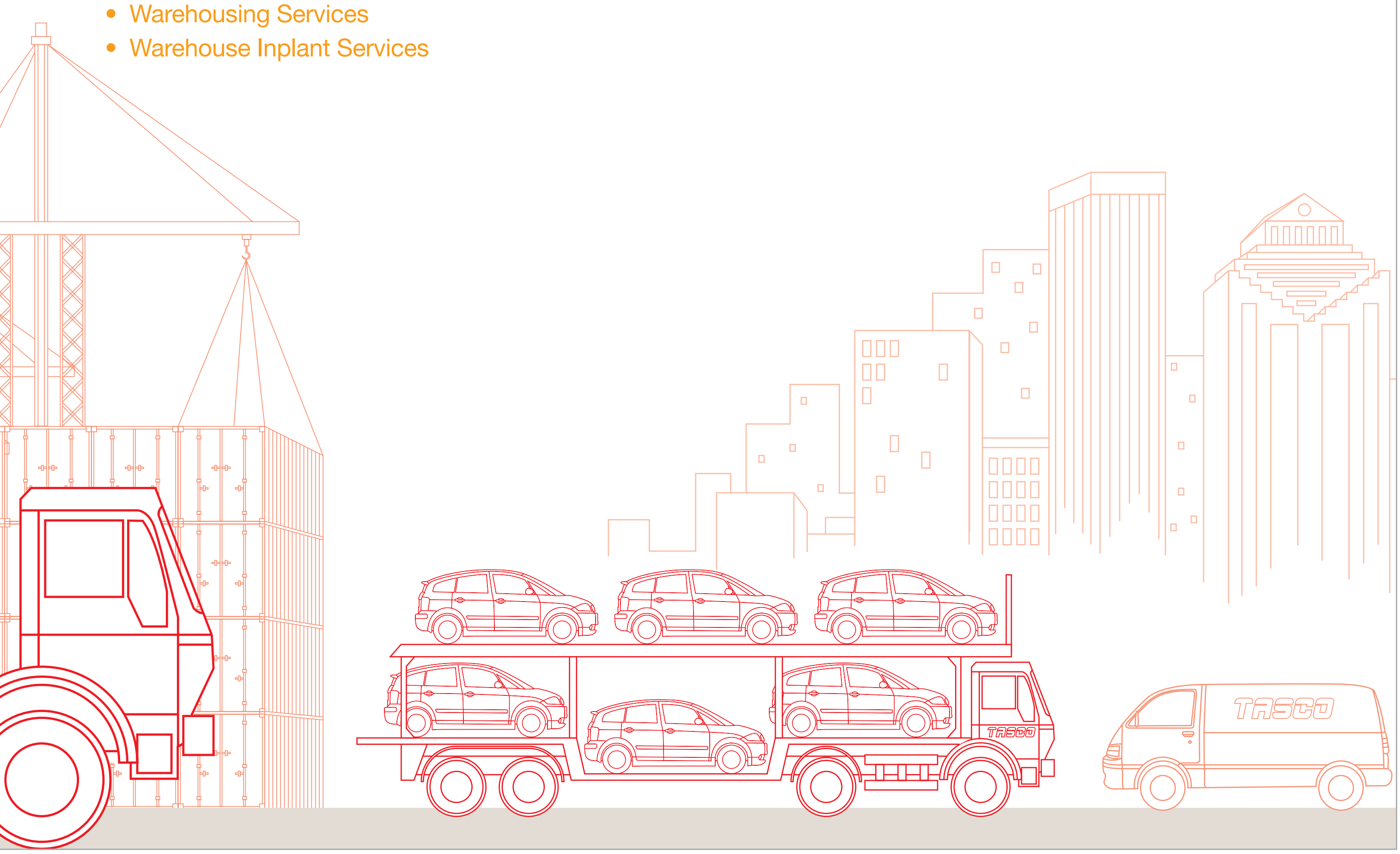
- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services

Auto Logistics Division

- Car Carrier
- Pre-delivery Inspection

Trucking Division

- Domestic Trucking
- Cross Border Trucking



Domestic Network

"More than 30 branches and 1,000 employees in Malaysia"

CORPORATE HEAD OFFICE

Lot No.1A, Persiaran Jubli Perak,
Jalan 22/1, Seksyen 22,
40300 Shah Alam,
Selangor Darul Ehsan

Tel: 603-5101 8888
Fax: 603-5548 8288

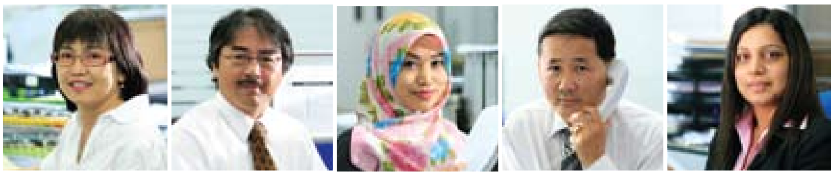
www.tasco.com.my

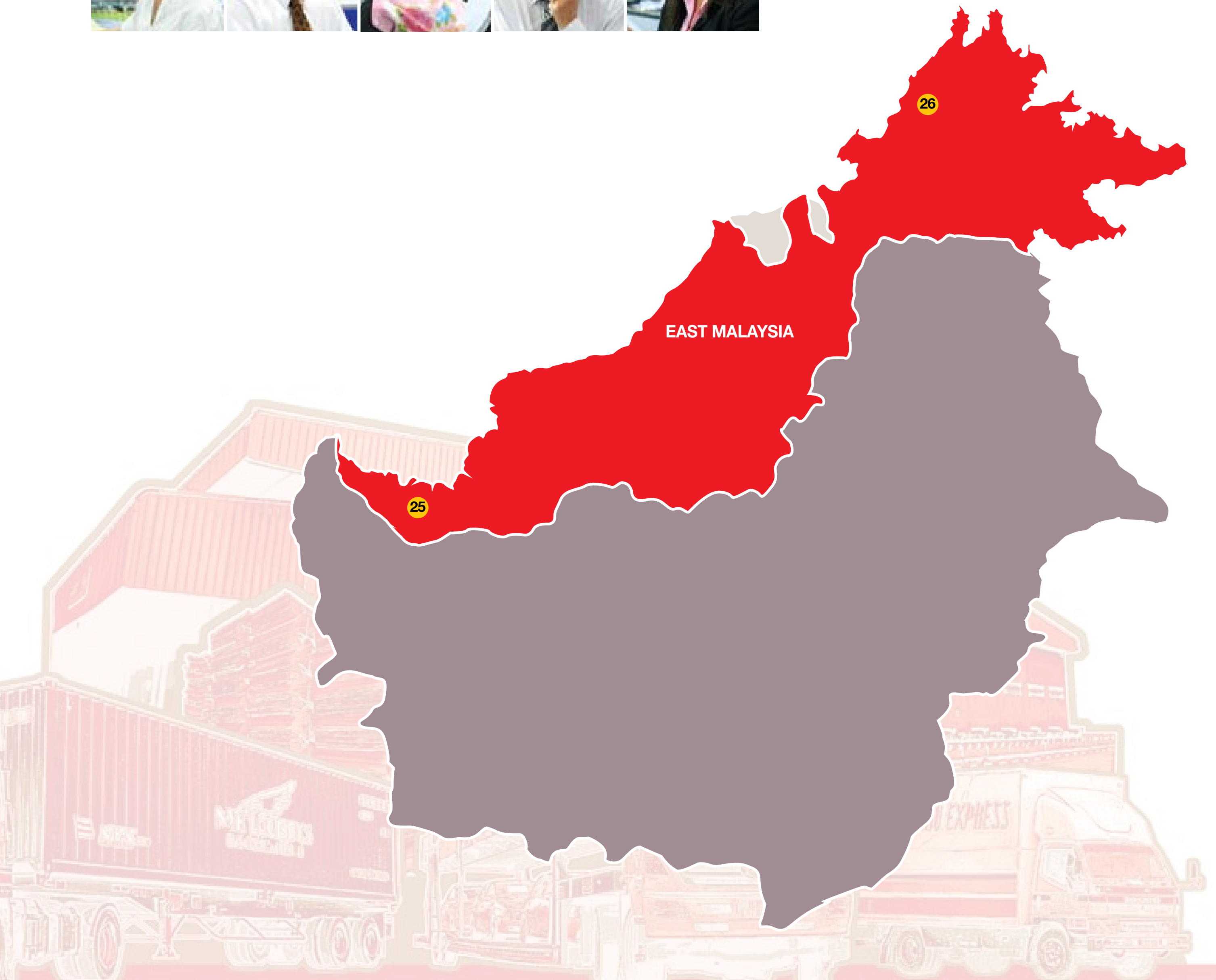
BRANCHES

MALAYSIA

1. Penang Air Freight Logistics Centre
2. Toray Office
3. Penang Prai Logistics Centre / Penang Truck Freight Station
4. Ipoh Logistics Centre / Ipoh Truck Freight Station
5. Vehicle Distribution Centre / Port Klang Haulage Centre
6. Port Klang Logistics Centre
7. North Port Logistics Centre
8. Sungai Way Logistics Centre
9. **Corporate Head Office /** Shah Alam Logistics Centre / Shah Alam Truck Freight Station
10. MTV Office
11. Kuantan Port Logistics Centre
12. Bangi Auto Logistics Centre
13. Bangi Workshop Centre

Domestic Network





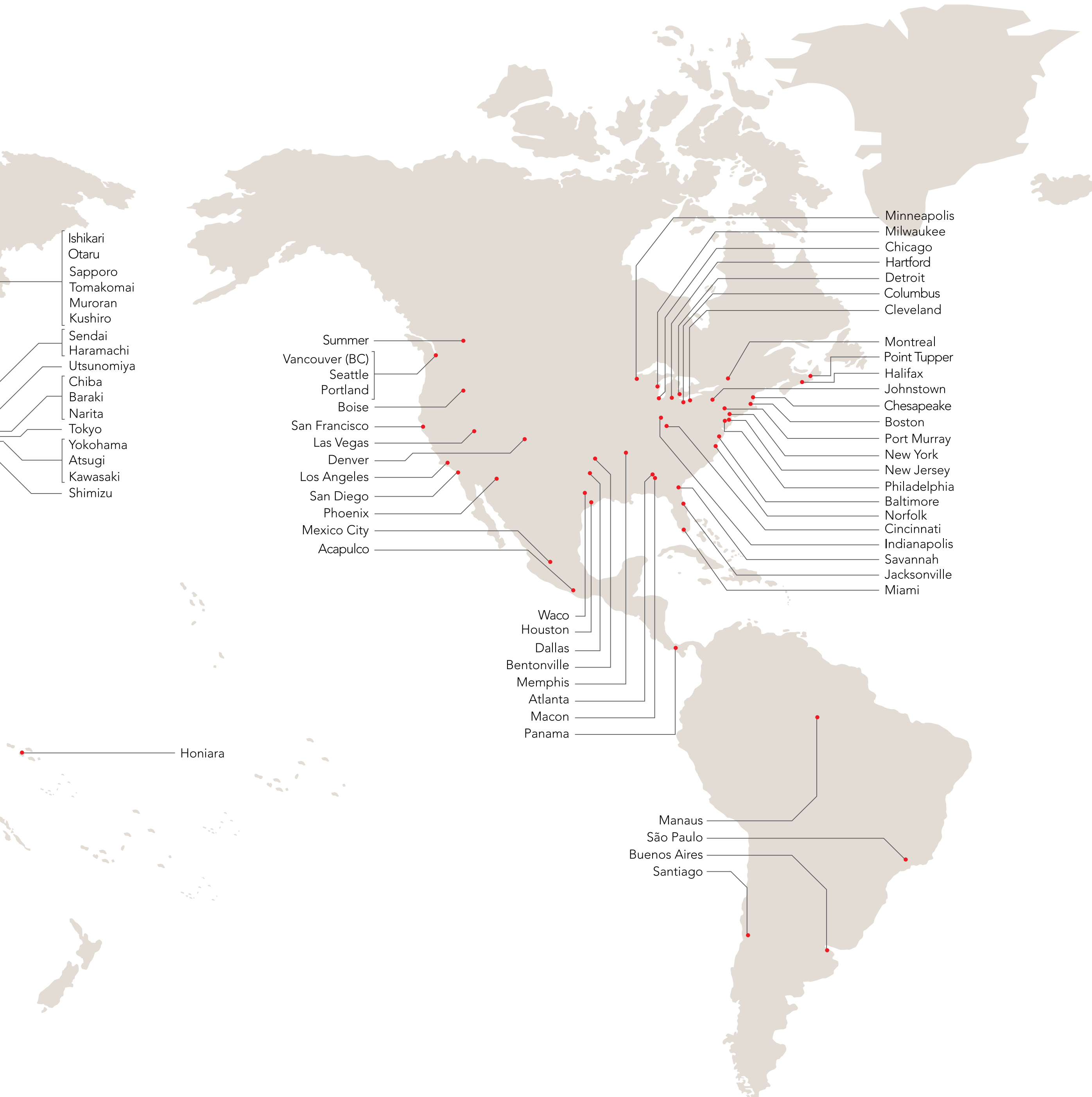
14 Bangi Logistics Centre
15 KLIA Air Freight Logistics Centre
16 Melaka Logistics Centre / Melaka Truck Freight Station
17 Konica Minolta Office
18 MPT Office
19 Senai Truck Freight Station
20 Senai Air Freight Logistics Centre
21 Pelabuhan Tanjung Perlepas Office
22 Causeway Truck Freight Station
23 Pasir Gudang Logistics Centre
24 Padang Besar Truck Freight Station
25 Kuching Air Freight Logistics Centre
26 Kota Kinabalu Logistics Centre

SINGAPORE

27 Singapore Truck Freight Station

A Growing Presence Of NYK Across The World

"More than 290 offices and 50,000 employees in 36 countries"

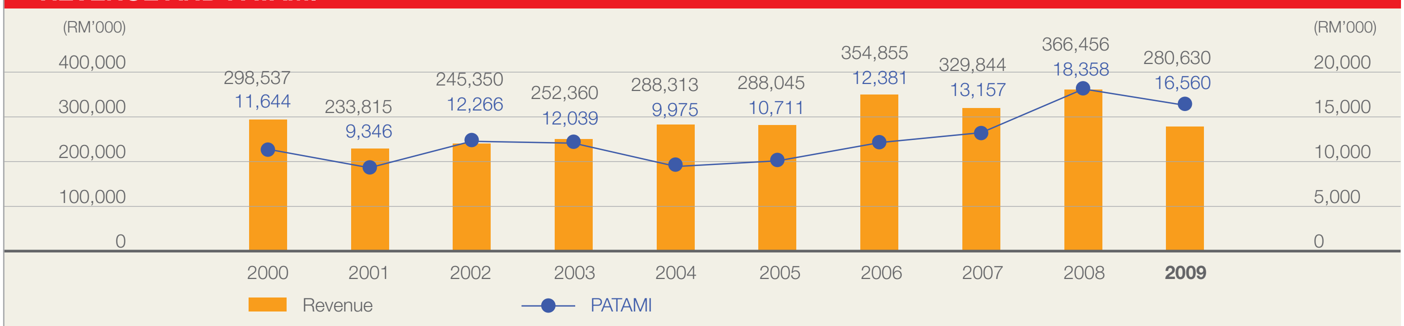


Consolidated Financial Highlights

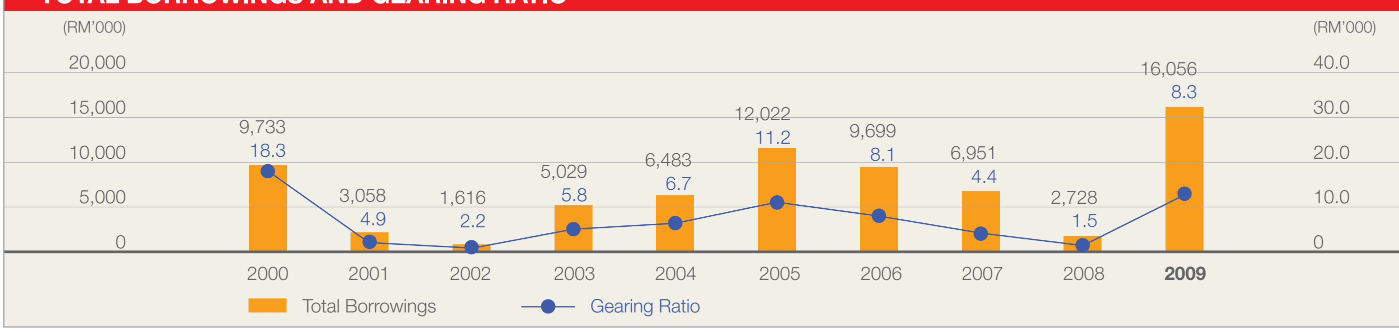
Year ended 31 December	2000	2001	2002	2003
Result of operations (RM'000)				
Revenue	298,537	233,815	245,350	252,360
PBTAMI[1]	16,835	13,464	17,561	17,034
PATAMI[2]	11,644	9,346	12,266	12,039
Capital expenditures	3,853	3,336	1,074	21,217
Financial position at year end (RM'000)				
Share capital (ordinary shares of RM1.00 each)	5,000	5,000	5,000	5,000
Total assets	105,358	93,543	105,906	139,648
Cash and bank balances	12,934	17,593	17,589	17,710
Total liabilities	52,264	31,102	31,014	52,717
Total borrowings	9,733	3,058	1,616	5,029
Shareholder equity	53,095	62,441	74,707	86,746
Amount per share (sen)				
Earnings per share[3]	11.64	9.35	12.27	12.04
Dividend per share (Annual)[4]	-	-	-	-
Ratios (%)				
Shareholder equity ratio	50.4	66.8	70.5	62.1
Return on equity	21.9	15.0	16.4	13.9
Return on assets	11.1	10.0	11.6	8.6
Current ratio	137.5	186.4	214.3	199.5
Gearing ratio	18.3	4.9	2.2	5.8
Dividend payout ratio[4]	-	-	-	-

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.*
4. *Inclusive of final dividend subject to the shareholders' approval.*

REVENUE AND PATAMI



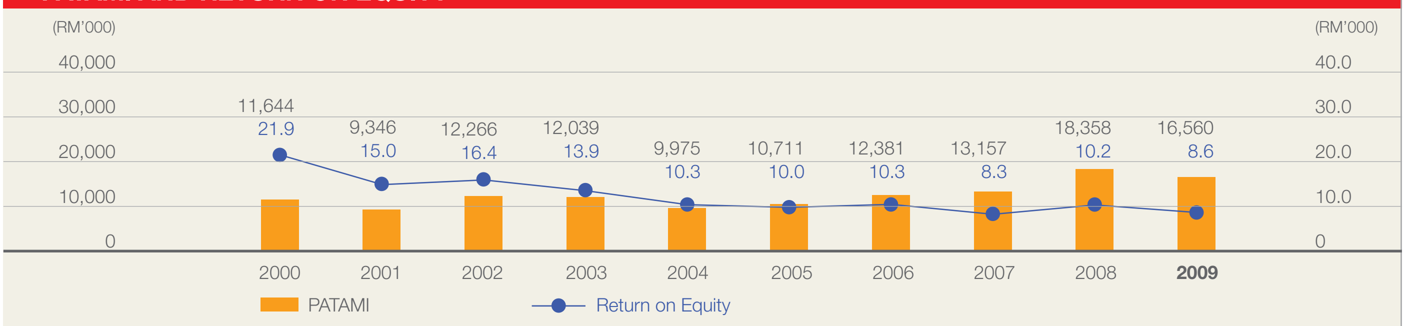
TOTAL BORROWINGS AND GEARING RATIO



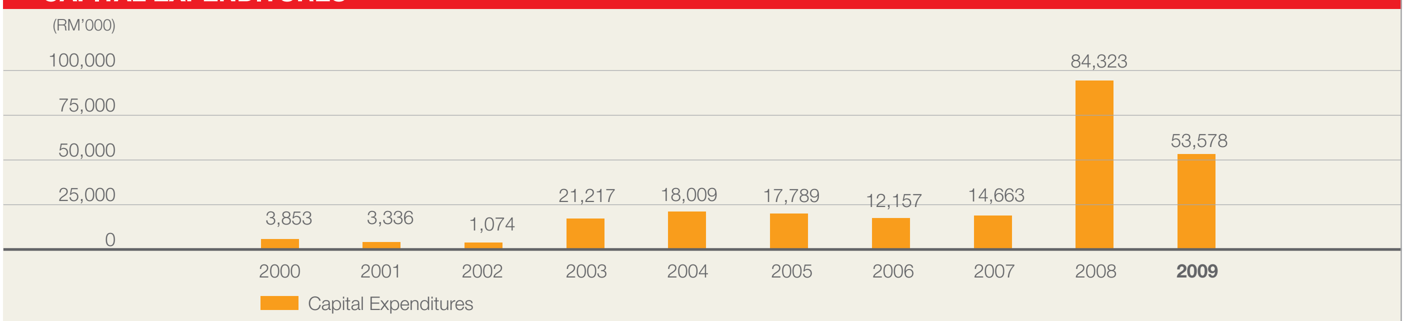
Consolidated Financial Highlights

2004	2005	2006	2007	2008	2009
288,313	288,045	354,855	329,844	366,456	280,630
14,485	14,578	16,953	18,312	22,548	14,105
9,975	10,711	12,381	13,157	18,358	16,560
18,009	17,789	12,157	14,663	84,323	53,578
5,000	45,000	45,000	100,000	100,000	100,000
134,929	153,303	170,207	208,476	246,209	263,371
27,211	27,206	36,812	62,187	46,434	35,041
38,017	45,679	50,161	49,251	65,841	70,724
6,483	12,022	9,699	6,951	2,728	16,056
96,722	107,432	119,825	158,982	180,097	192,323
9.98	10.71	12.38	13.16	18.36	16.56
-	-	-	-	-	7.00
71.7	70.1	70.4	76.3	73.1	73.0
10.3	10.0	10.3	8.3	10.2	8.6
7.4	7.0	7.3	6.3	7.5	6.3
242.9	231.9	229.5	291.8	187.0	208.4
6.7	11.2	8.1	4.4	1.5	8.3
-	-	-	-	-	42.3

PATAMI AND RETURN ON EQUITY



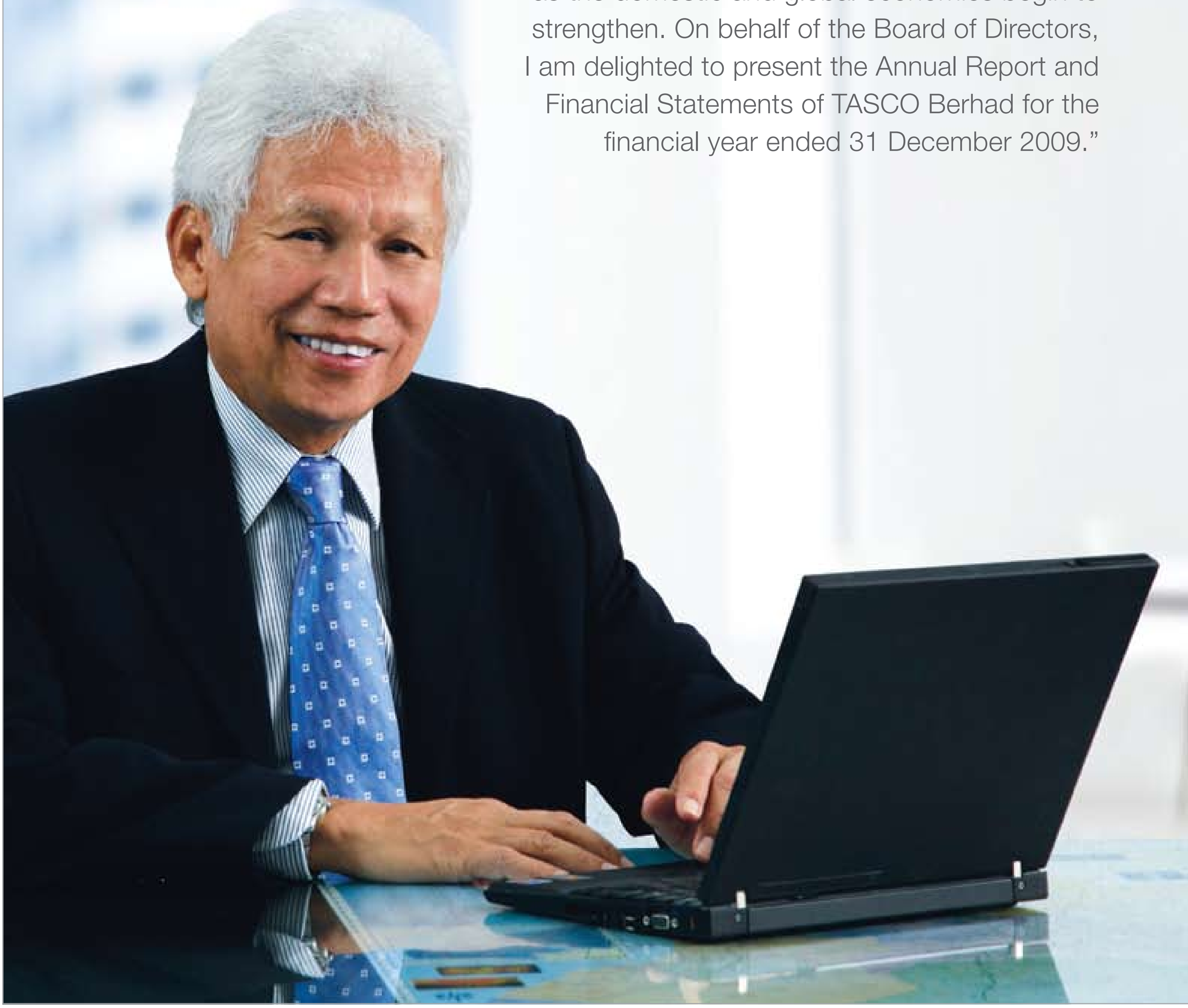
CAPITAL EXPENDITURES



Chairman's Statement

Dear Stakeholders,

"I am pleased to report that TASCO Berhad ("TASCO" or "the Group") weathered the challenges of a difficult operating environment and a weak global economy to turn in another profitable year. The year 2009 saw us embarking on various strategies to strengthen our market leadership position and prepare our businesses for the next level of growth. Today, the Group has shored up its capabilities and is poised to capitalise on the wealth of opportunities before us as the domestic and global economies begin to strengthen. On behalf of the Board of Directors, I am delighted to present the Annual Report and Financial Statements of TASCO Berhad for the financial year ended 31 December 2009."



Chairman's Statement

FINANCIAL PERFORMANCE

While the Group maintained profitability amidst the year's tumultuous operating environment, we turned in a lower revenue of RM280.6 million, a RM86.0 million or 23% decline over the 2008's revenue. In tandem with the lower revenue, profit from operations declined to RM13.3 million, RM5.8 million or 30% lower than 2008's profits. While the Group's profit before tax ("PBT") declined by RM8.4 million or 37% against 2008's PBT, our profit after tax ("PAT") was higher than 2009's PBT at RM16.6 million, as a result of an Investment Tax Allowance entitlement. However, 2009's PAT was RM1.8 million or 10% lower than 2008's PAT.

Our International Business Solutions segment (comprising air freight forwarding, sea freight forwarding and buyer consolidation services) and Domestic Business Solutions segment (comprising customs forwarding, warehousing, trucking, haulage, car carrier and pre-delivery inspection services), both experienced a drop in revenue posting revenue of RM123.3 million and RM157.3 million respectively. Our International Air Freight, Sea Freight and Forwarding businesses in particular, were adversely affected by the global financial crisis.

DIVIDEND PAYMENTS

The Board of Directors is pleased to recommend a tax exempt final dividend of 3 sen in respect of the financial year ended 31 December 2009 subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"). Together with the tax exempt interim dividend of 4 sen paid on 15 December 2009, the total paid and proposed dividend for the financial year ended 31 Decmber 2009 is 7 sen per share, representing a payout ratio of 42% of the Group's earnings.

CAPITAL EXPENDITURES

In line with our expansion strategy, the Group took the opportunity to invest RM42.8 million in an integrated logistics facility in Shah Alam. Our acquisition of an almost 1,000,000 square foot property with a built-up area of approximately 370,000 square feet from JVC Manufacturing Malaysia Sdn Bhd is enabling us to house our major logistics activities in one location. Prior to the acquisition, our warehouse facilities at our Shah Alam Logistics Centre could not accommodate all customer cargo and surplus cargo had to be stored at third-party warehouse in various locations. By bringing together the disparate logistics operations under one central integrated facility, we are making more efficient use of our human capital, equipment and facilities as well as reducing costs, thereby improving our bottom line in the long-term.

The location of the new property on prime industrial land, right in the heart of one of the busiest industrial zones in Malaysia is a very strategic one and bodes well for the long-term growth of the Group. Moreover, the size of the new property and the increased warehouse space will enable us to tender for and secure sizeable contracts. On top of this, we are able to expand our trucking operations due to the strategic location.

The acquisition was undertaken via internally generated funds and bank borrowings on an approximate 30:70 ratio. Following the completion of the acquisition, the gearing ratio of the Group is expected to increase to about 17%. As at 31 December 2009, TASCO posted a total cash and bank balance of RM35.0 million and a gearing ratio of 8.3%.

CORPORATE DEVELOPMENTS

Following the approval of shareholders at our AGM on 10 June 2009, the Company's name has officially been changed from "Trans-Asia Shipping Corporation Berhad" to "TASCO Berhad". This name change came into effect on 10 September 2009. On 23 March 2009, Nippon Yusen Kabushiki Kaisha ("NYK") and Yusen Air & Sea Service Co Ltd ("YAS") (collectively known as the "NYK Group") increased their equity interest in TASCO to 61.32% through the acquisition of a 70% equity stake in Kombinasi Restu (M) Sdn Bhd. The increased equity participation from the NYK Group has done much to enhance the Group's position in the logistics industry, both internationally and domestically given the fact that the NYK Group is one of the largest shipping fleets in the world. Moreover, as a newly integrated subsidiary of the NYK Group, TASCO is now better able to leverage on the NYK's strong network and organisational strength to grow our own capabilities, reputation and international business.

Chairman's Statement

AWARDS AND ACCOLADES

The Group continues to be recognised for our efforts from renowned organisations. For the third consecutive year, we were named the "Best Retail and Fast Moving Consumer Goods Logistics Service Provider in Malaysia" by Frost and Sullivan, as well as hailed the "Hi-Tech Logistics Service Provider of the Year (Malaysia)" by the same organisation. More recently, in March 2010 we received the "Best Cooperation (Logistics) Award 2009" from Huawei Technologies (M) Sdn Bhd. While we are appreciative of these recognitions, rest assured that we will not rest on our laurels but will continue to elevate service levels to new heights of excellence.

CORPORATE RESPONSIBILITY

As a responsible corporate citizen, the Group is balancing out its astute financial performance with impactful corporate responsibility initiatives. By undertaking stringent health, safety and environmental initiatives within our logistics operations that impact positively on our customers, employees, partners and other stakeholders, we are protecting these stakeholders and ensuring the sustainable progress of the Group.

GOING FORWARD

Amidst the slowly but surely recovering domestic and global economies, the Board of Directors is cautiously optimistic about our performance going forward. Our progress is very much dependent on the performance of the local manufacturing sectors and international trade. Having said that, the high volume of cargo passing through our new integrated facility in the first quarter alone, holds much promise for us. Going forward and taking into consideration the risks associated with the logistics business, we will undertake the necessary measures to mitigate these risks while enhancing our operational efficiencies. We remain focussed on growing the business through enhanced customer service efforts, innovative logistics solutions and extensive logistics network. With a strong cash position and relatively low gearing ratio, the Group is in a position to capitalise on the many opportunities before us and deliver value to our shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to convey my deepest appreciation to all our stakeholders - not just our worthy shareholders and investors, but all parties associated with the Group – our customers, business associates and the communities we operate in. Our utmost gratitude also goes to our management team and employees for their steadfast dedication and hard work which has got the Group where we are today. As TASCO pursues new heights of success, we trust all our stakeholders will continue to lend us their unwavering support. Thank you.

Tan Sri Asmat Bin Kamaludin
Chairman

From Our Group Managing Director

"We are confident that 2010 will be a year of growth for us. We will continue to offer total logistics service solutions to our customers and move them from being merely a one or two service user to multi-service users. This is where our internal PlusOne Marketing Strategy Plan is being brought into play as we educate our staff and encourage our customers to turn to us for all their logistics needs."

From Our Group Managing Director

Q1

HOW DID THE GROUP FARE OVER 2009 GIVEN THE CHALLENGING OPERATING ENVIRONMENT?

The year under review was certainly a challenging year for us. Given the flagging global economy, domestic and global consumer demand waned, which in turn adversely affected the manufacturing and trading sectors which logistics players are so heavily reliant on. As a result, the first quarter ("Q1") of 2009 saw the Group turning in a weak performance. We were quick to rectify this and took the necessary measures to cut costs, reduce capital expenditure and enhance operational efficiencies, all of which helped mitigate the pressures on our bottom line.

As the domestic and global economies slowly began to pick up and our measures set in, we started to see an improvement in performance from Q2 onwards with our earnings coming back on track in Q3 and Q4 of 2009. However, despite our efforts, sales dropped 23% from RM366.5 million in 2008 to RM280.6 million in 2009, while we also turned in lower profits. Given the challenges that we faced over this tumultuous period, we are pleased with the outcome and thankful that we were able to turn things around quickly. One of the highlights of 2009 was our being able to claim back some RM5.9 million on an Investment Tax Allowance entitlement from the Malaysian Industrial Development Authority's ("MIDA") under the Integrated Logistics Scheme.

Q2

HOW DID THE GROUP'S INTERNATIONAL AND DOMESTIC BUSINESS SOLUTIONS SEGMENTS PERFORM?

The Group's International Business Solutions segment was hardest hit by 2009's downturn as it experienced much smaller sea freight and air freight volumes. As a result, segmental revenue dropped 33% from RM184.0 million to RM123.3 million.

On the other hand, the Domestic Business Solutions segment was able to maintain its volume and contribute 56% of the year's revenue, although at lower level than the preceding year's revenue (RM157.3 million in 2009 against RM182.4 million in 2008). Our domestic business segment's success was attributable to the considerable amount invested in warehouses, trucks and haulage over 2008, the effects of which began to bear fruit in 2009. All in all, we are pleased with our business segments achievements in the face of adversity and we must applaud the efforts of our management and staff for rising to the challenge.

For more details of the performance of each division, please refer to pages 18 and 19 of this Annual report.

From Our Group Managing Director

Q3

IN Q2 OF 2009, TASCO ACQUIRED A NEW INTEGRATED FACILITY IN SHAH ALAM. HOW IS THIS MOVE EXPECTED TO BENEFIT THE GROUP?

Our new integrated facility in the industrial heart of Shah Alam neatly aligns with our long-term strategic plan of acquiring a sizeable, strategic location to accommodate business expansion. We acquired the property from JVC Manufacturing Malaysia Sdn Bhd in June 2009 for RM42.8 million and moved in in January 2010 following renovations. The acquisition was undertaken at a time that the world economy was showing sign of recovery and the flow of electronic and electrical ("E&E") goods had picked up significantly. In Q1 of 2010, we managed to fill majority of our warehouse with E&E and fast moving consumer goods ("FMCG").

The size of the new property and the increased warehouse space is certainly a strong attraction and is enabling us to seek out and secure more sizeable contracts. On top of this, we are surrounded by the factories of a multitude of multinationals and this too is providing us more opportunities to garner new contracts and respond to clients' needs in a faster manner. Even as we enter into a new year, we are already rapidly reaching maximum capacity and have to decide whether to build on our own land or outsource our requirements to third parties.

Q4

WHAT BUSINESS STRATEGIES WILL THE GROUP LEVERAGE ON TO MAINTAIN BUSINESS GROWTH IN 2010 AND BEYOND?

We see ourselves distributing the spread of business contribution so that 50% of our revenue comes from our domestic operations and another 50% comes from our international operations. On the domestic front, we are already a market leader and among the top 5 logistics operators in terms of sales and profits. Our focus will be to maintain this strong market position in Malaysia by securing more domestic business opportunities in the way of warehousing, trucking, haulage, warehouse inplant logistics management and customs clearance activities.

With business momentum picking up, we are exploring strategic tie-ups with several suppliers to support our trucking and haulage requirements. Going forward, we are exploring the possibility of fulfilling 60% to 70% of our customers' core requirements ourselves while outsourcing the balance to other logistics players. We have unlimited expansion capabilities and can always outsource to others as long as the relationship with the suppliers is strong and the customers accept this as being beneficial to them. We are also looking at securing long-term business and are planning how to fulfil the customers' requirements while maintaining high levels of service. At the end of the day, market needs will drive our expansion requirements and growth plans.

We will also leverage on our strong relationship as a subsidiary of the NYK Group to explore new international business opportunities. Today, the NYK Group is ranked among the top 10 global logistics players, and this is opening up a wealth of international business opportunities for us. On top of this, we are able to tap the expertise and experience of NYK to take our business to the next level. Currently, we are receiving logistics quality support from NYK which is providing us a better understanding of the quality benchmarks we need to adopt within our own operations. Our joint marketing efforts with the NYK Group, will undoubtedly lead to more joint sales activities and new international customers.

As we take the steps to grow our business, we will adopt a cautious and controlled approach to business growth. We will seek to eliminate unnecessary costs while reducing operational costs and enhancing operational efficiencies. We will also be careful not to take on just any new business but will choose our clientele and partners carefully. In this current economic climate, we will veer away from unprofitable or risky businesses.

From Our Group Managing Director

Q5

WHAT NEW AREAS DO YOU PLAN TO VENTURE INTO AND WHAT IS YOUR EXPANSION STRATEGY GOING FORWARD?

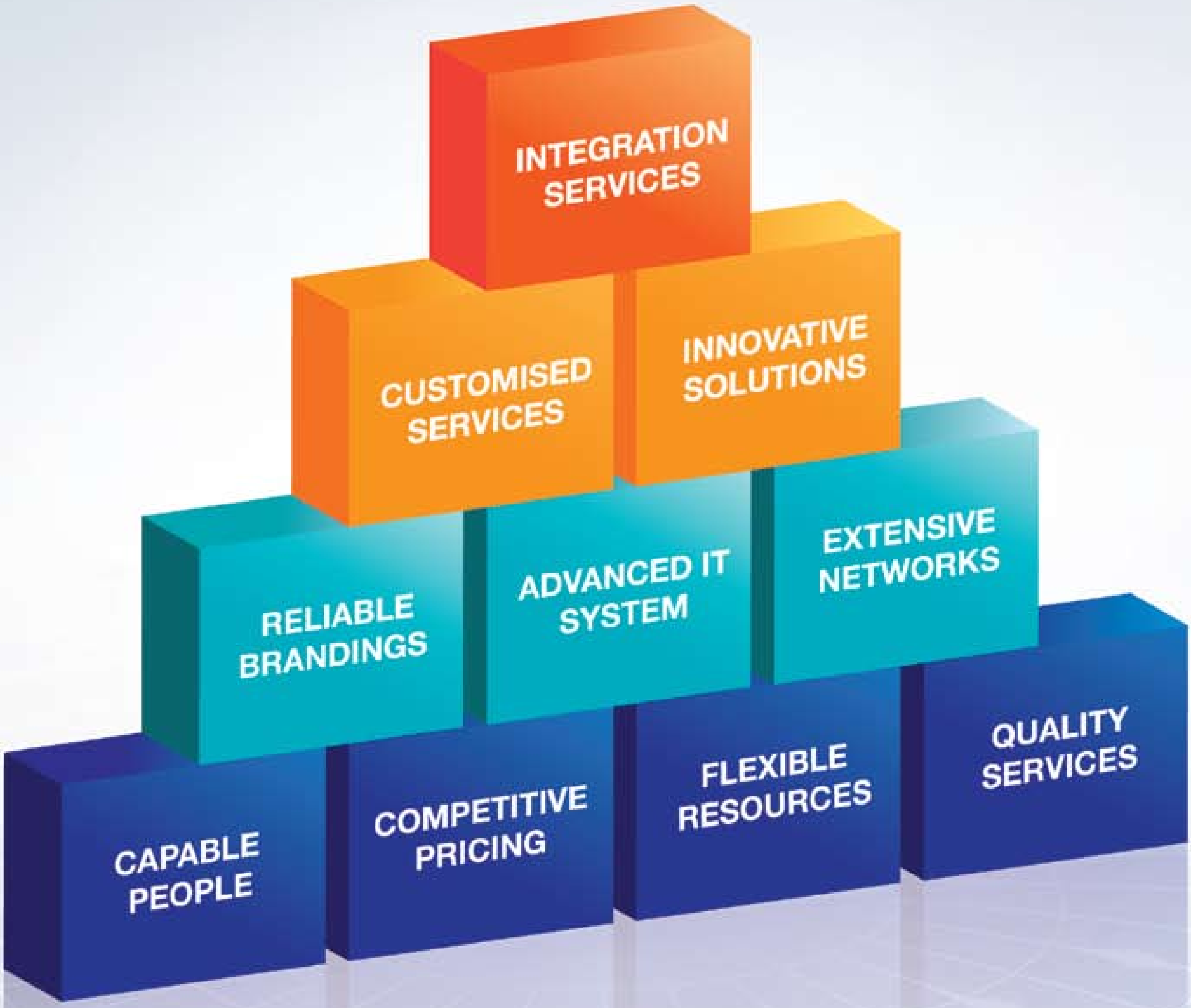
In the past, we have handled E&E goods and auto logistics and will now explore opportunities to diversify into the huge food, chemical, pharmaceutical, medical and FMCG segments, among others. In early 2010, the domestic E&E goods segment began to show signs of a strong upward trend due to the strong market recovery. On top of this, with the World Cup South Africa 2010 due in June, we envisage volume for this segment to escalate as a result of higher demand for TV and video sets. We will explore how we can best serve these promising business segments.

We will also see how we can serve the sea-land-air cargo requirements of small players by consolidating their cargo and moving it as part of our integrated capability. Warehouse Inplant management logistics will be another area we will explore and we have already made good headway here managing the logistics of some of our customers in Shah Alam and other locations. In doing this, we are leveraging on our existing capabilities with no need for new investment.

All in all, we see ourselves leveraging on the four main pillars of our business – air freight, sea freight, trucking and forwarding – in a balanced manner. By having a balanced spread, a practice which we started off some two years ago when the market was very weak, we are not pinning our hopes on any single business segment.

We are confident that 2010 will be a year of growth for us. We will continue to offer total logistics service solutions to our customers and move them from being merely a one or two service user to multi-service users. This is where our internal PlusOne Marketing Strategy Plan is being brought into play as we educate our staff and encourage our customers to turn to us for all their logistics needs. TASCO will continue to strengthen its entire supply chain as an international logistics group and leverage on the NYK family network to provide door-to door solutions. We also remain open to exploring any new business ventures related to logistics.

TASCO Basic Core Fundamentals



The Secrets to Our Success

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

Business at a Glance

Notes :

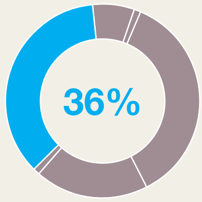
1. **Characteristics of the International Business Solutions:**
Minimum capital investment; Not highly regulated; Requires extensive international networks; Collaboration with foreign agents under a common IT system.

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 2009 | **Revenue 2009**

International Air Freight Division

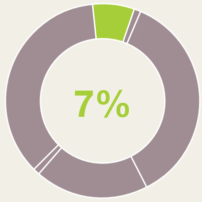
- Air Freight Services



RM101.7 million

International Sea Freight Division

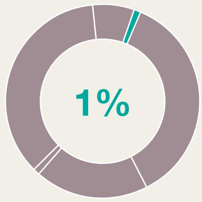
- Sea Freight Services



RM19.4 million

International Network Solutions Division

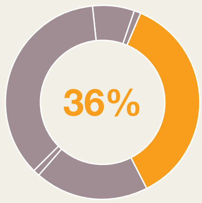
- Buyer Consolidation Services



RM2.1 million

Forwarding Division

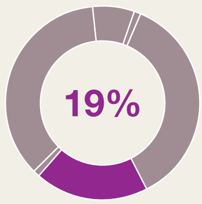
- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services



RM100.8 million

Trucking Division

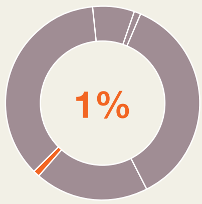
- Domestic Trucking
- Cross Border Trucking



RM53.6 million

Auto Logistics Division

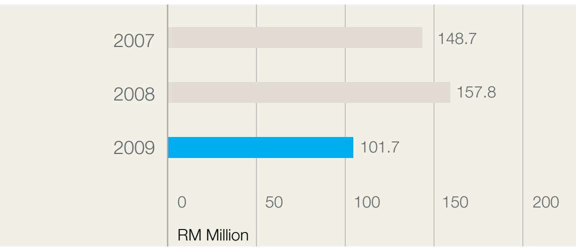
- Car Carrier
- Pre-delivery Inspection

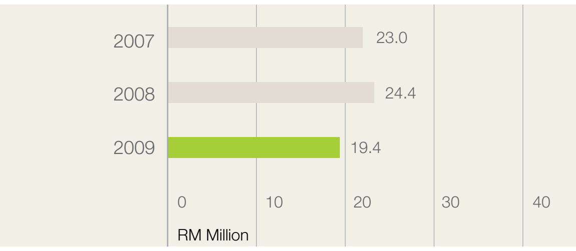


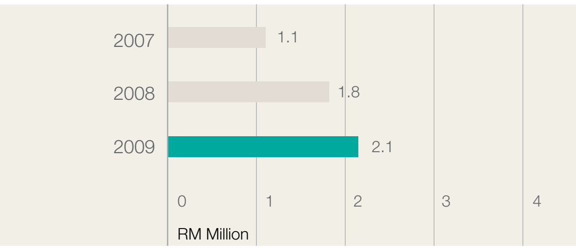
RM3.0 million

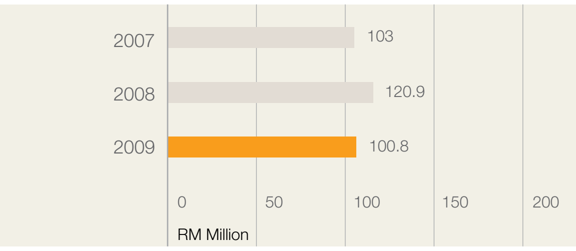
Business at a Glance

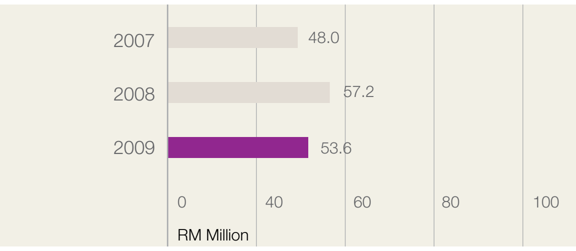
Revenue 2007- 2009

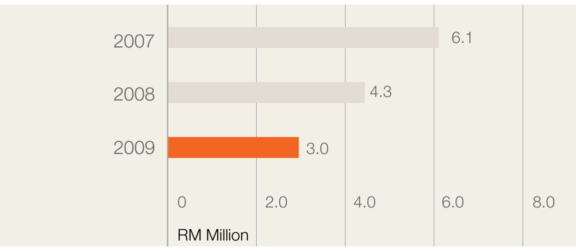




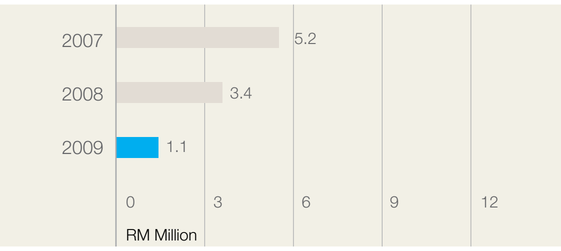


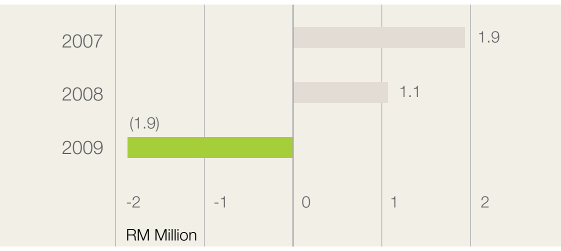


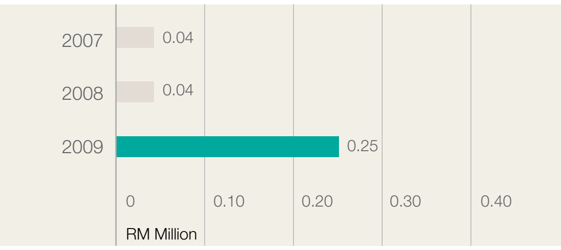


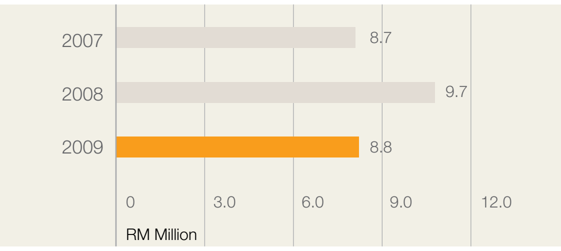


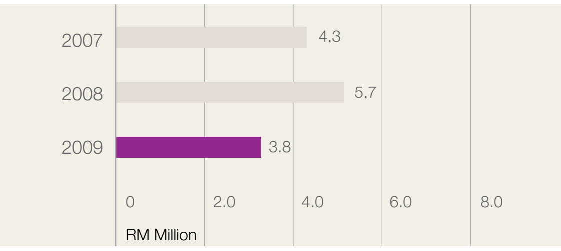
Profit from Operations 2007 - 2009

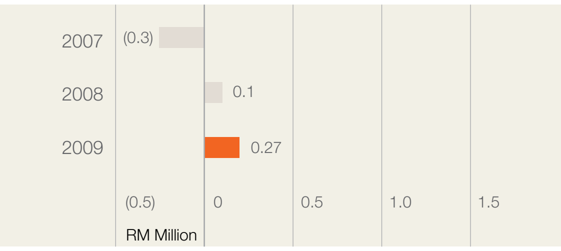




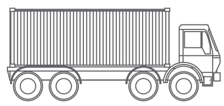




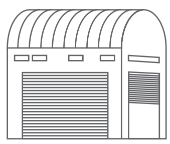




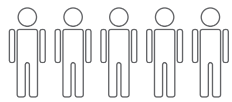
Resource Facilities



>250 units
Prime Movers & Trucks



>100,000m²
Warehouse Space



Domestic: >1,000
Worldwide: >50,000*
Employees

> 30 branches
Domestic Networks

> 290 offices
in 36 countries
International Networks

* Under the international logistics network of NYK Group.

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)

Tomoaki Handa
(Executive Director)

Raymond Cha Kar Siang
(Independent Non-Executive Director)

Kwong Hoi Meng
(Independent Non-Executive Director)

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

COMPANY SECRETARIES

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

Mazars
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 Market
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

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

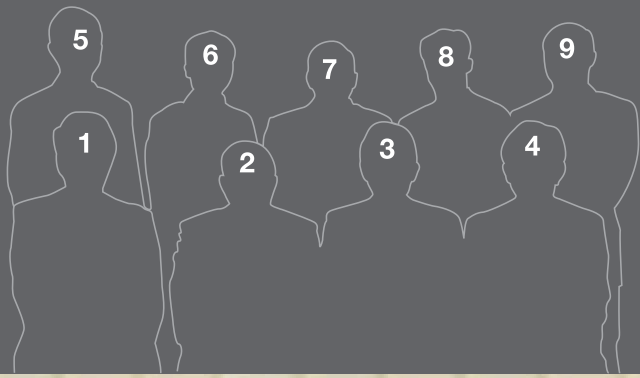
Raippan s/o Yagappan @ Raiappan Peter
(Independent Non-Executive Director)
Chairman

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

Lee Check Poh
(Group Managing Director)
Member

Board of Directors

1 **Kimio Maki**
2 **Lee Check Poh**
3 **Tan Sri Asmat Bin Kamaludin**
4 **Tomoaki Handa**
5 **Tan Hock Huat**
6 **Raymond Cha Kar Siang**
7 **Raippan s/o Yagappan @ Raiappan Peter**
8 **Kwong Hoi Meng**
9 **Ahmad Bin Ismail**



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.

Profile of Board of Directors

Tan Sri Asmat Bin Kamaludin

Non-Independent Non-Executive Chairman
Aged 66, Malaysian

Date of Appointment
- 1 January 2005

Qualification
- 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 Directorship in Public Company
- YTL Cement Berhad (Vice-Chairman)
- Malaysian Pacific Industries Berhad
- Lion Industries Corporation Berhad
- Pemodalan Nasional Berhad
- The Royal Bank of Scotland Berhad
- Scomi Marine 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.

Training
- FRS 139 Financial Instruments: Recognition and Measurement
- FIDE Module 1
- Asia-Pacific Out-Sourcing Summit
- FIDE Module 2
- FIDE Module 3
- In house directors' training - "Recent Trends in the Oil and Gas Industry"

Profile of Board of Directors

Lee Check Poh

Non-Independent Group Managing Director
Aged 61, Malaysian

Date of Appointment
- 24 April 1989

Qualification
- 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.

Training
- Board Effectiveness: Understanding the Roles and Responsibilities of the Nominating and Remuneration Committees.

Ahmad Bin Ismail

Non-Independent Executive Director
Aged 58, 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 Corporate Administration Group.
- 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.

Training
- Code of Corporate Compliance and Ethical Conduct

Profile of Board of Directors

Tan Hock Huat

Non-Independent Executive Director
Aged 60, 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 Human Resource Management Group.
- 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.

Training
- Corporate Governance Guide: Towards Boardroom Excellence

Tomoaki Handa

Non-Independent Executive Director
Aged 52, 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
- Mandatory Accreditation Programme

Profile of Board of Directors

Kimio Maki

Non-Independent Executive Director
Aged 51, Japanese

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 oversea operations.

Training
- Best Practices of Boardroom Affairs

Raymond Cha Kar Siang

Independent Non-Executive Director
Aged 40, Malaysian

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.

Training
- Understanding Financial Statements – For Directors and Senior Management
- Corporate Governance Guide: Towards Boardroom Excellence

Profile of Board of Directors

Kwong Hoi Meng

Independent Non-Executive Director
Aged 43, Malaysian

Date of Appointment
- 30 October 2007

Qualification
- 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.

Training
- CTIM Workshop on Practical Implications on New Public Rulings
- Corporate Governance Guide: Towards Boardroom Excellence
- 2010 Budget Seminar

Raippan S/O Yagappan @ Raiappan Peter

Independent Non-Executive Director
Aged 67, 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.

Training
- Understanding Financial Statement – For Directors and Senior Management
- Corporate Governance Guide: Towards Boardroom Excellence

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 Directors ("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 2009, 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:

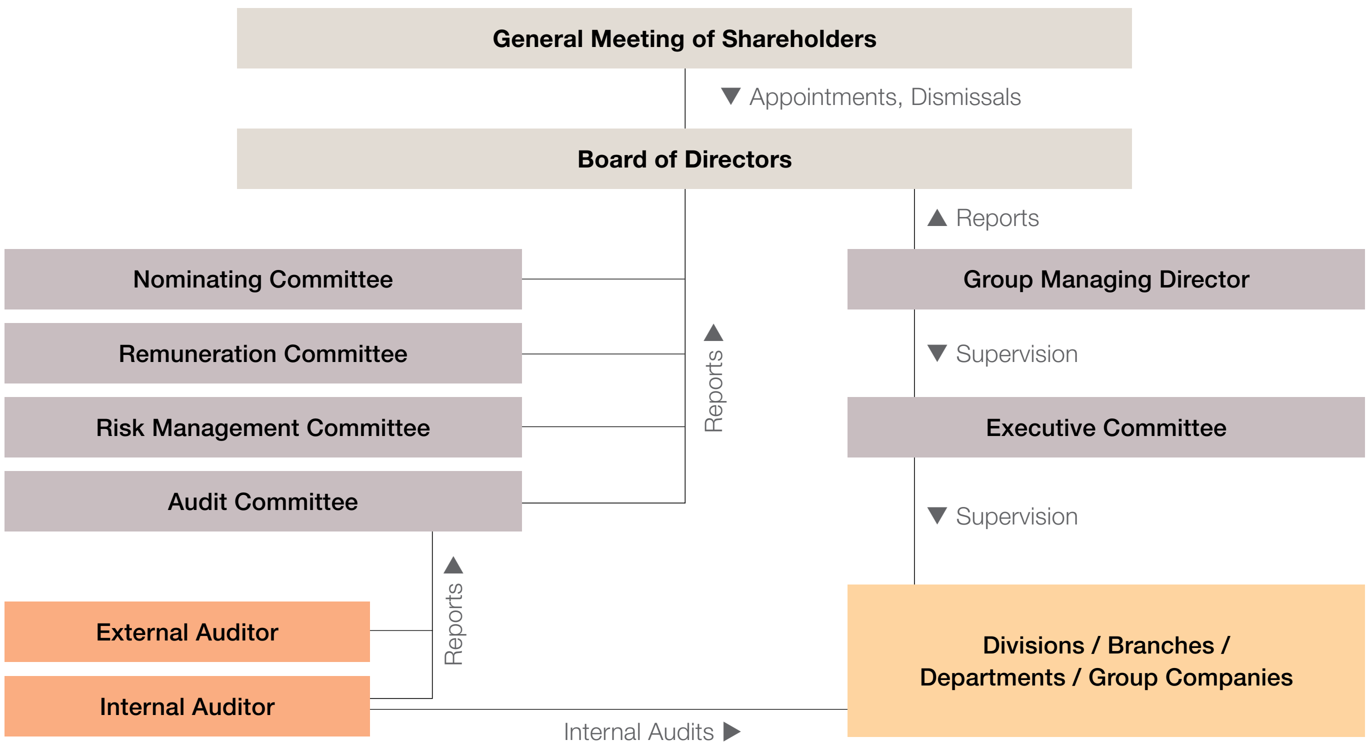
(a) Nominating Committee
(b) Remuneration Committee
(c) Risk Management Committee
(d) Audit Committee

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 8 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.



Corporate Governance Initiatives

BOARD OF DIRECTORS

The Board comprises the following members and the detail of attendance of each member at the Board meetings held during the financial year ended 31 December 2009 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	4/5
Tan Hock Huat	Executive	No	4/5
Tomoaki Handa (Appointed on 22 April 2009)	Executive	No	3/3
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
Hidenobu Owaki (Resigned on 22 April 2009)	Executive	No	2/2

The Group is headed by an experienced Board comprising 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.

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.

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.

Corporate Governance Initiatives

BOARD OF DIRECTORS (CONT'D)

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.

All Directors 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 the following members and the detail of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 December 2009 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Raymond Cha Kar Siang (Chairman)	Non - Executive	Yes	3/3
Kwong Hoi Meng	Non - Executive	Yes	3/3
Raippan s/o Yagappan @ Raiappan Peter	Non - Executive	Yes	3/3

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.

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.

Corporate Governance Initiatives

REMUNERATION COMMITTEE

The Remuneration Committee comprises the following members and the detail of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 December 2009 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.

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 2009 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM50,001 to RM100,000	1	-
RM100,001 to RM150,000	2	1
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	1	-
RM1,150,001 to RM1,200,000	1	-

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

	Fees	Salaries and Other Emoluments	Total
Executive Directors	-	RM2,058,355	RM2,058,355
Non-Executive Directors	RM167,400		RM167,400

Corporate Governance Initiatives

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises 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 2009 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	Non - Executive	Yes	5/5

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.

The terms of reference of the Audit Committee Report together with its report are presented on page 33 to 35 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 36 of the Annual Report.

Corporate Governance Initiatives

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 RM56,695.80 of internal audit fees during the financial year ended 31 December 2009.

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.

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 2009. The members of Audit Committee and their meeting attendance are presented on page 31 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.

Audit Committee Report

FUNCTIONS AND DUTIES (CONT'D)

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.

Audit Committee Report

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;
(g) Reviewed and approved the Internal Audit Plan for the year and the monitoring of the implementation of the approved audit plan; and
(h) Met with the external auditors twice a year without the presence of the executive Board members.

Statement on 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

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

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

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 2009 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 facilities the operations of each other.	TASCO/NYK Group	Hidenobu Owaki[1], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	Sales : 44,271 Purchases : 42,108
2	Various staff secondment agreements entered into between TASCO and the NYK Group's subsidiaries whereby NYK Group's subsidiaries agree to second and TASCO agrees to engage the expatriate who shall be regarded as a member of TASCO's staff and shall be subject to TASCO's rules and regulations.	TASCO/NYK Group	Hidenobu Owaki[1], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	510
3	Software agreement entered into betweeen TASCO and NYK Group's subsidiaries to grand TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group	Hidenobu Owaki[1], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	364
4	Management services 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], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	292
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group	Hidenobu Owaki[1], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	3,596
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], Tomoaki Handa[2], Kimio Maki[3] and NYK Group	725
	Total			91,793

Notes:
1. Hidenobu Owaki was seconded to TASCO from YAS. He was the Executive Director of TASCO and resigned on 22 April 2009.
2. Tomoaki Handa was seconded to TASCO from YAS. He was appointed as the Executive Director of TASCO on 22 April 2009.
3. NYK Group includes NYK, its subsidiary companies and affiliates.

Calendar of Events

10 JUNE 2009

ANNUAL GENERAL MEETING

Our Company's 34th Annual General Meeting was held at Holiday Inn Glenmarie Kuala Lumpur Hotel.

14 JUNE 2009

SAFETY AND SECURITY TRAINING

The safety and security training was kick started for the Central Region and later was introduced to the Northern and Southern Region. A total of 187 participants attended the training throughout the branches. The training is conducted annually and is to create awareness and to promote safety and security among the employees and the customers.

1 JULY 2009

SIGNING CEREMONY WITH JVC MANUFACTURING MALAYSIA SDN BHD

The signing ceremony between our Company and JVC Manufacturing Malaysia Sdn Bhd ("JVCMM") was held in JVCMM office for the Sale and Purchase Agreement of the property measuring approximately 997,172 square feet together with all Lot 1 buildings erected thereon. Group Managing Director Mr Lee Check Poh and Executive Director Mr Kimio Maki signed on behalf of our Company while Mr Kazuyoshi Hayashi, a director signed for JVCMM.

Calendar of Events

FROST & SULLIVAN AWARD

Our Company was recognised as the FMCG & Retail Logistics Service Provider and Hi-Tech Logistics Service Provider in Malaysia for 2009 by Frost & Sullivan at the Asia Pacific Transportation & Logistics Awards. Group Managing Director, Mr Lee Check Poh received the awards at the banquet held in Singapore. In the same ceremony, NYK Logistics group was also honoured being the Automotive Logistics Service Provider (Thailand, Indonesia and South East Asia) and the Hi-Tech Logistics Service Provider (South East Asia) for 2009.

23 JULY 2009

CHANGE OF COMPANY NAME AND LOGO

Our Company name was changed to "TASCO Berhad" to further strengthen our corporate branding and identification as a total logistics solutions provider.

At the same time, our Company also launched the new Company logo. The flag raising ceremony of the new TASCO flag was held in the morning.

10 SEPTEMBER 2009

"BUKA PUASA" DINNER

Our Company held a "Buka Puasa" Dinner nationwide with our fellow muslims colleagues who will be celebrating their Hari Raya Puasa on 20 September 2009.

10 SEPTEMBER 2009

Corporate Social Responsibility

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 logistical services while protecting the environment. In this regard, the Group's CSR activity programmes focussed 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 Place, Right Time, Right Person, Right Quantity and Right Condition

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 Group has established the Safety Committee to formulate policies, action plans, and budgets for the implementation of road and work place safety programs. The followings are some of the activities that had been carried out:

a) Occupational Safety and Health

Meetings were held by the Safety Committee meetings 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 systems and back-up generators of our major warehouses were inspected and internal fire drills were also conducted to ensure that they are functioning properly in case of fire or power failure.

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

During the year 2009, preventive measures were taken for H1NI. Staff and visitors were screened at the entrance and surgical mask was distributed. Inspection of our head office was done for mosquitoes breeding for the prevention of dengue fever,

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 undergo comprehensive trainings, supervised by the certified trainers and placed under probation for three months. Upon completion of the trainings, the operators' operating skills and theoretical knowledge are tested. The operators who pass the tests are then certified to operate the machines and entitled for monthly special allowances as long as they maintain clean safety records. 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) Safety and Security Training

The safety and security training was kick started for the Central Region on 14 June 2009 and was later introduced to the Northern and Southern Region. A total of 187 participants attended the training throughout the branches. The training is conducted annually and is to create awareness and to promote safety and security among the employees and the customers.

Corporate Social Responsibility

SAFETY (CONT'D)

d) Defensive Driving Training

The Safety Committee had organised a series of defensive driving trainings for our truck operators with the main objective to achieve zero accident and to avoid mishaps and loss of life. Qualified instructors from the Ministry of Transportation conducted the trainings. The programme aims to train and retrain our truck operators in order to continuously promote their road safety awareness. Certain audits are 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 had undergone the programme.

e) Schedule Maintenance Of Trucks

Our fleet of trucks are repaired and maintained by our in-house mechanic 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 to delay in delivery of cargo to the customers and affecting their productions.

As an evidence of our achievement, 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.

QUALITY AND ENVIRONMENT

In order to provide and maintain quality services to our customers, six of our branches had successfully obtained the ISO 9001-2000 Quality Management System todate. The branches are:

a) Penang Air Freight Logistics Centre
b) KLIA Air Freight Logistics Centre
c) Penang Prai Logistics Centre
d) Shah Alam Logistics Centre
e) Port Klang Logistics Centre
f) Pasir Gudang Logistics Centre

In 2009, four branches namely Pasir Gudang Logistics Centre, Penang Prai Logistics Centre, Penang Air Freight Logistics Centre and KLIA Air Freight Logistics Centre had successfully migrated to ISO 9001-2008.

The Group is also concerned with the environment issues and had done the followings:

- Recycling of waste is conducted at major stations;
- Schedules for the maintenance of trucks and forklifts are 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; and
- Purchase of new trucks that has EURO engine specifications for lower smoke emission level.

Financial Statements

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 No.1A, Persiaran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan

Directors' Report

for the financial year ended 31 December 2009

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 2009.

CHANGE OF NAME

The Company changed its name from Trans-Asia Shipping Corporation Berhad to TASCO Berhad on 10 September 2009.

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 RM	Company RM
Profit for the year attributable to:-		
Owners of the Company	16,559,725	15,383,049
Minority interests	53,593	-
	16,613,318	15,383,049

DIVIDENDS

During the financial year, the Company paid a tax exempt interim dividend of 4 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2009.

The Directors have recommended the payment of a tax exempt final dividend of 3 sen per ordinary share in respect of the financial year ended 31 December 2009.

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 53 and 54.

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 Kimio Maki
Mr Raymond Cha Kar Siang
Mr Kwong Hoi Meng
Mr Raippan s/o Yagappan @ Raiappan Peter
Mr Tomoaki Handa (appointed on 22 April 2009)
Mr Hidenobu Owaki (resigned on 22 April 2009)

In accordance with the Company's Articles of Association, Mr Kimio Maki, Mr Raymond Cha Kar Siang and Mr Raippan s/o Yagappan @ Raiappan Peter retire from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

Directors' Report (Cont'd)

for the financial year ended 31 December 2009

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 1.1.2009	Bought	Sold	At 31.12.2009
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 is deemed to be interested in the Company's shareholdings in all its subsidiary companies.

Directors' Report (Cont'd)

for the financial year ended 31 December 2009

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 38(a) to the financial statements.

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

OTHER STATUTORY INFORMATION

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

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

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

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

    (i) which would render the amount written off for bad debts or the amount of 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.

Directors' Report (Cont'd)

for the financial year ended 31 December 2009

ULTIMATE HOLDING COMPANY

The directors regard Nippon Yusen Kabushiki Kaisha ("NYK"), a company incorporated in Japan, as the ultimate holding company.

AUDITORS

The auditors, Mazars, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the directors in accordance with a directors' resolution dated 10 February 2010.

LEE CHECK POH
Director

AHMAD BIN ISMAIL
Director

Independent Auditors' Report

to the members of TASCO Berhad

Report on the Financial Statements

We have audited the financial statements of TASCO Berhad *(formerly known as Trans-Asia Shipping Corporation Berhad)*, which comprise the balance sheets as at 31 December 2009 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 50 to 97.

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 2009 and of their financial performance and cash flows for the year then ended.

Independent Auditors' Report (Cont'd)

to the members of TASCO Berhad

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.

MAZARS
No. AF: 1954
Chartered Accountants

GAN MORN GHUAT
No. 1499/5/11 (J)
Partner

Kuala Lumpur

Date: 10 February 2010

Balance Sheets

as at 31 December 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	110,991,778	107,590,249	112,611,303	108,285,039
Goodwill	4	864,854	864,854	-	-
Investment in subsidiary companies	5	-	-	14,262,565	14,262,565
Investment in associated company	6	6,105,579	6,429,977	3,000,000	3,000,000
Other investments	7	1,225,104	1,222,504	1,225,104	1,222,504
Prepaid lease payments	8	36,464,358	20,540,026	36,544,618	20,588,819
Total non-current assets		155,651,673	136,647,610	167,643,590	147,358,927
Current assets					
Inventories	9	55,255	122,823	-	-
Trade receivables	10	50,104,856	57,299,624	49,417,234	56,878,623
Other receivables, deposits and prepayments		3,061,200	3,878,929	2,266,374	3,765,694
Amounts owing by subsidiary companies	11	-	-	2,131,013	1,365,265
Amounts owing by related companies	12	6,239,725	-	6,206,380	-
Amounts owing by associated company	13	-	807,155	-	807,155
Current tax asset		6,217,725	1,018,267	6,212,819	1,007,795
Fixed deposits with a licensed bank	14	19,221,774	30,775,792	19,221,774	30,775,792
Cash and bank balances	15	15,819,233	15,658,357	13,879,848	12,615,095
		100,719,768	109,560,947	99,335,442	107,215,419
Non-current assets classified as held for sale	16	6,999,253	-	6,999,253	-
Total current assets		107,719,021	109,560,947	106,334,695	107,215,419
TOTAL ASSETS		263,370,694	246,208,557	273,978,285	254,574,346

Balance Sheets (Cont'd)

as at 31 December 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	17	100,000,000	100,000,000	100,000,000	100,000,000
Share premium	18	801,317	801,317	801,317	801,317
Revaluation reserve	19	1,400,591	1,400,591	-	-
Hedge reserve	19	(326,550)	-	(326,550)	-
Exchange translation reserve	19	(18,095)	(10,540)	-	-
Retained earnings		90,465,829	77,906,104	69,872,323	58,489,274
Equity attributable to owners of the Company		192,323,092	180,097,472	170,347,090	159,290,591
Minority interests		323,485	269,892	-	-
Total equity		192,646,577	180,367,364	170,347,090	159,290,591
Non-current liabilities					
Hire purchase and finance lease liabilities	20	279,633	750,955	279,633	750,955
Long term bank loan	21	12,320,000	-	12,320,000	-
Deferred tax liabilities	22	6,444,196	6,488,212	6,000,000	6,000,000
Total non-current liabilities		19,043,829	7,239,167	18,599,633	6,750,955
Current liabilities					
Trade payables	23	19,694,409	23,965,957	19,220,984	23,556,644
Other payables, deposits and accruals	24	24,905,293	30,547,890	24,115,601	29,474,656
Amounts owing to subsidiary companies	11	-	-	34,760,655	31,620,343
Amount owing to related companies	12	2,660,938	-	2,631,090	-
Amounts owing to associated company	13	846,450	1,903,615	846,450	1,903,615
Hire purchase and finance lease liabilities	20	569,312	1,977,542	569,312	1,977,542
Bank term loan	21	2,887,470	-	2,887,470	-
Current tax liabilities		116,416	207,022	-	-
Total current liabilities		51,680,288	58,602,026	85,031,562	88,532,800
Total liabilities		70,724,117	65,841,193	103,631,195	95,283,755
TOTAL EQUITY AND LIABILITIES		263,370,694	246,208,557	273,978,285	254,574,346

Notes to and forming part of the financial statements are set out on pages 57 to 97
Auditors' Report - Pages 48 and 49

Income Statements

for the year ended 31 December 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
Revenue	25	280,630,497	366,456,096	278,479,453	363,803,020
Cost of sales		(216,344,978)	(296,353,838)	(217,569,972)	(297,704,833)
Gross profit		64,285,519	70,102,258	60,909,481	66,098,187
Other operating income		2,929,898	1,174,547	2,575,955	829,659
Administrative and general expenses		(53,901,977)	(52,149,736)	(52,653,934)	(50,733,223)
Profit from operations	26	13,313,440	19,127,069	10,831,502	16,194,623
Profit from investing activities	27	426,539	3,011,454	1,732,844	2,154,226
Share of net profits of associated companies		655,330	628,322	-	-
Finance costs	28	(235,967)	(192,069)	(235,967)	(192,069)
Profit before tax		14,159,342	22,574,776	12,328,379	18,156,780
Tax income/(expense)	29	2,453,976	(4,190,220)	3,054,670	(5,518,439)
Profit for the year		16,613,318	18,384,556	15,383,049	12,638,341
Attributable to:					
Owners of the Company		16,559,725	18,357,766	15,383,049	12,638,341
Minority interests		53,593	26,790	-	-
		16,613,318	18,384,556	15,383,049	12,638,341
Basic earnings per share attributable to owners of the Company (cent)	30	16.56	18.36		

Notes to and forming part of the financial statements are set out on pages 57 to 97
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Consolidated Statement of Changes in Equity

for the year ended 31 December 2009

		Attributable to shareholders of the Company								
		Non distributables				Distributable				
	Note	Share capital RM	Share premium RM	Revaluation reserve RM	Hedge Reserve RM	Exchange translation reserve RM	Retained earnings RM	Total RM	Minority interests RM	Total equity RM
Group										
Balance at 1 January 2008		100,000,000	801,317	-	-	9,596	58,170,618	158,981,531	243,102	159,224,633
Exchange difference on translating foreign operation		-	-	-	-	(20,136)	-	(20,136)	-	(20,136)
Revaluation surplus arising from acquisition of new subsidiary company		-	-	1,400,591	-	-	-	1,400,591	-	1,400,591
Adjustment on post-acquisition profit of previously held interest in a subsidiary		-	-	-	-	-	1,377,720	1,377,720	-	1,377,720
Net income/(expense) recognised directly in equity		-	-	1,400,591	-	(20,136)	1,377,720	2,758,175	-	2,758,175
Profit for the year		-	-	-	-	-	18,357,766	18,357,766	26,790	18,384,556
Total recognised (expense)/income for the year		-	-	1,400,591	-	(20,136)	19,735,486	21,115,941	26,790	21,142,731
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
Exchange difference on translating foreign operation		-	-	-	-	(7,555)	-	(7,555)	-	(7,555)
Fair value adjustment on cash flow hedge		-	-	-	(326,550)	-	-	(326,550)	-	(326,550)
Net expense recognised directly in equity		-	-	-	(326,550)	(7,555)	-	(334,105)	-	(334,105)
Profit for the year		-	-	-	-	-	16,559,725	16,559,725	53,593	16,613,318
Dividend	31	-	-	-	-	-	(4,000,000)	(4,000,000)	-	(4,000,000)
Balance at 31 December 2009		100,000,000	801,317	1,400,591	(326,550)	(18,095)	90,465,829	192,323,092	323,485	192,646,577

Notes to and forming part of the financial statements are set out on pages 57 to 97
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Statement of Changes in Equity

for the year ended 31 December 2009

	Note	Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
		← Non distributables		→	Distributable	
Company						
Balance at 1 January 2008		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
Fair value adjustment on cash flow hedge		-	-	(326,550)	-	(326,550)
Profit for the year		-	-	-	15,383,049	15,383,049
Dividend	31	-	-	-	(4,000,000)	(4,000,000)
Balance at 31 December 2009		100,000,000	801,317	(326,550)	69,872,323	170,347,090

Notes to and forming part of the financial statements are set out on pages 57 to 97
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Cash Flow Statements

for the year ended 31 December 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		14,159,342	22,574,776	12,328,379	18,156,780
Adjustments for:					
Allowance for doubtful debts		1,855,668	-	1,796,671	-
Depreciation		11,319,188	8,587,460	11,144,098	7,943,116
Gain on disposal of property, plant and equipment		(2,480,280)	(18,000)	(2,451,780)	(18,000)
Gain on disposal of assets held for sales		-	(495,400)	-	(495,400)
Property, plant and equipment written off		123,783	71,761	123,783	71,761
Amortisation of prepaid lease payments		324,850	146,055	293,382	97,261
Discount on acquisition		-	(1,945,816)	-	-
Share of net profits of associated companies		(655,330)	(628,322)	-	-
Interest income		(392,913)	(1,065,638)	(392,913)	(1,065,638)
Dividend income		(37,016)	-	(1,343,321)	(1,088,588)
Interest expense		235,967	192,069	235,967	192,069
Loss on disposal of other investments		3,390	-	3,390	-
Unrealised gain on foreign exchange		(83,756)	-	(83,756)	-
Operating profit before working capital changes		24,372,893	27,418,945	21,653,900	23,793,361
Changes in inventories		67,568	(72,971)	-	-
Changes in receivables		4,109	7,788,221	166,848	8,180,094
Changes in payables		(2,153,959)	(3,529,338)	(1,952,188)	(660,580)
Cash generated from operations		22,290,611	31,604,857	19,868,560	31,312,875
Tax paid		(2,870,485)	(4,963,296)	(1,814,158)	(4,093,147)
Tax refunded		-	31,467	-	-
Net cash from operating activities		19,420,126	26,673,028	18,054,402	27,219,728
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	32	(41,498,254)	(27,174,206)	(42,170,254)	(29,836,828)
Proceeds from disposal of property, plant and equipment	33	17,967,900	18,000	17,939,400	18,000
Additions to prepaid lease payments	34	(17,863,248)	(9,277,954)	(17,863,248)	(9,277,954)
Proceeds from disposal of asset held for sales	35	-	4,140,146	-	4,140,146
Proceeds from disposal of other investment		4,010	-	4,010	-
Acquisition of additions shares in an existing subsidiary company		-	-	-	(99,998)
Acquisition of new subsidiary companies	36	-	(6,665,617)	-	(8,243,565)
Purchase of other investments		(10,000)	(22,000)	(10,000)	(22,000)
Repayment from/(Advances to) subsidiary companies		-	-	110,418	(426,530)
Repayment from an associated company		805,555	170,180	805,555	170,180
Interest received		392,913	1,065,638	392,913	1,065,638
Dividends received from an associated company		979,729	805,555	979,729	805,555
Dividends received from other investments		27,396	-	27,396	-
Net cash used in investing activities		(39,193,999)	(36,940,258)	(39,784,081)	(41,707,356)

Cash Flow Statements (Cont'd)

for the year ended 31 December 2009

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Withdrawal of term loan	16,800,000	-	16,800,000	-
Repayment of term loan	(1,120,000)	-	(1,120,000)	-
Repayment of revolving credits	-	(1,480,000)	-	(1,480,000)
(Repayment to)/Advances from subsidiary companies	-	-	3,062,098	2,665,170
Repayment to an associate company	(1,057,165)	-	(1,057,165)	-
Payment of hire purchase and finance lease liabilities	(2,008,552)	(3,823,922)	(2,008,552)	(3,823,922)
Interest paid	(235,967)	(192,069)	(235,967)	(192,069)
Dividend paid	(4,000,000)	-	(4,000,000)	-
Net cash from/(used in) financing activities	8,378,316	(5,495,991)	11,440,414	(2,830,821)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,395,557)	(15,763,221)	(10,289,265)	(17,318,449)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	46,434,149	62,186,841	43,390,887	60,709,336
EFFECT OF EXCHANGE RATE CHANGES	2,415	10,529	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD	35,041,007	46,434,149	33,101,622	43,390,887
Represented by:				
Fixed deposits with a licensed bank	19,221,774	30,775,792	19,221,774	30,775,792
Cash and bank balances	15,819,233	15,658,357	13,879,848	12,615,095
	35,041,007	46,434,149	33,101,622	43,390,887

Notes to and forming part of the financial statements are set out on pages 57 to 97
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Notes to the Financial Statements

for the year ended 31 December 2009

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) New/revised FRSs, Issue Committee Interpretation ("IC Interpretations") and Amendments to FRSs that are not yet effective.

The Company has not adopted the following new/revised FRSs, and IC Interpretations (including its consequential amendments) that have been issued by Malaysian Accounting Standards Board (MASB) but are not yet effective:

New FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
	Improvements to FRSs (2009)	1 January 2010
	Improvements to FRSs (2010)	1 July 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Royalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operations	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs and IC Interpretations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The initial recognition of the other new/revised FRSs and IC Interpretations (including its consequential amendments) are not expected to have any significant impact on the financial statements of the Group and the Company except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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 2009 were RM110,991,778 and RM112,611,303 (2008 : RM107,590,249 and RM108,285,039), 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 2009 were RM59,405,781 and RM60,021,001 (2008 : RM61,985,708 and RM62,816,737), 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 2009 was RM864,854 (2008 : RM864,854).

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Significant accounting estimates and judgements (Cont'd)

(iv) Income taxes

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

The Group and the Company 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 2009 were RM342,887 and Nil (2008 : RM5,676,967 and RM4,992,205), respectively.

The carrying amounts of the Company's net tax assets as at 31 December 2009 were RM212,819.

(d) 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.

(e) 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 polices 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 (i) below.

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

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) 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 (o)(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.

(g) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (Cont'd)

(i) Measurement basis

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	2
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.

(h) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases

(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.

(i) 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.

(j) 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.

(k) Prepaid lease payments

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

(i) Measurement basis

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

(ii) Amortisation

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

(l) 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.

(m) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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 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 of the extent the cumulative impairment loss that has been recognised previously.

(o) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Share capital

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

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

(q) Payables

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

(r) Income recognition

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

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

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

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

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

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

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

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

(s) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Foreign currencies (Cont'd)

(ii) Transactions and balances in foreign currencies

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.

(t) 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.

(u) 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Taxation

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

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

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

(i) goodwill, or

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

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

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

(w) 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.

(x) 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, term loan, hire purchase, finance lease liabilities, currency swap contract 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) 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.

(z) 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.

Long term borrowings

The carrying amounts of the Group's long term floating borrowings approximate fair 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 risk

The Group is exposed to foreign currency risk on sale of services, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily Japanese Yen, U.S. Dollar (USD) and Singapore Dollar.

The Group uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the balance sheet date.

The principal amount of the Group's USD loan has been fully hedged using currency swap contract with a bank. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement.

It is the Group's policy not to trade in derivative instruments.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

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

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.

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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

3. PROPERTY, PLANT AND EQUIPMENT

Group 2009	Freehold land and building RM	Long leasehold building RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Capital work-in-progress RM	Total RM
Cost								
At 1.1.2009	26,706,981	50,463,386	60,880,542	8,443,169	10,691,727	6,162,116	-	163,347,921
Additions	-	25,396,234	2,079,375	605,150	1,408,214	1,467,812	4,759,167	35,715,952
Disposals	(16,368,104)	-	(2,303,713)	-	(1,073,239)	(821,157)	-	(20,566,213)
Write-offs	-	-	(163,848)	(1,399)	(173,840)	(169,208)	-	(508,295)
Exchange differences	-	-	-	-	518	1,255	-	1,773
Transfer to non-current asset held for sales	-	(5,504,450)	-	-	-	-	-	(5,504,450)
At 31.12.2009	10,338,877	70,355,170	60,492,356	9,046,920	10,853,380	6,640,818	4,759,167	172,486,688
Accumulated depreciation								
At 1.1.2009	1,866,220	14,540,810	26,906,966	5,390,334	4,407,968	2,645,374	-	55,757,672
Charge for the year	324,302	799,763	7,369,704	895,984	1,258,647	670,788	-	11,319,188
Disposals	(1,974,966)	-	(2,301,364)	-	(404,655)	(397,608)	-	(5,078,593)
Write-offs	-	-	(148,960)	(1,399)	(113,779)	(120,374)	-	(384,512)
Exchange differences	-	-	-	-	200	218	-	418
Transfer to non-current asset held for sales	-	(119,263)	-	-	-	-	-	(119,263)
At 31.12.2009	215,556	15,221,310	31,826,346	6,284,919	5,148,381	2,798,398	-	61,494,910
At 31.12.2009	10,123,321	55,133,860	28,666,010	2,762,001	5,704,999	3,842,420	4,759,167	110,991,778

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2008 Cost	Freehold land and building RM	Long leasehold building RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Capital work-in-progress RM	Total RM
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

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2009	Freehold land and building RM	Long leasehold building RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Capital work-in-progress RM	Total RM
Cost								
At 1.1.2009	26,668,410	36,479,722	53,841,114	8,436,539	10,649,750	5,971,690	-	142,047,225
Additions	-	25,396,234	2,830,375	605,150	1,408,214	1,467,812	4,759,167	36,466,952
Disposals	(16,368,104)	-	(2,011,366)	-	(1,073,239)	(821,157)	-	(20,273,866)
Write-offs	-	-	(16,900)	(1,399)	(173,840)	(169,208)	-	(361,347)
Transfer to non- current asset held for sales	-	(5,504,450)	-	-	-	-	-	(5,504,450)
At 31.12.2009	10,300,306	56,371,506	54,643,223	9,040,290	10,810,885	6,449,137	4,759,167	152,374,514
Accumulated depreciation								
At 1.1.2009	1,827,649	202,435	19,368,119	5,384,128	4,391,920	2,587,935	-	33,762,186
Charge for the year	324,302	756,708	7,261,129	895,561	1,254,728	651,670	-	11,144,098
Disposals	(1,974,966)	-	(2,009,017)	-	(404,655)	(397,608)	-	(4,786,246)
Write-offs	-	-	(2,012)	(1,399)	(113,779)	(120,374)	-	(237,564)
Transfer to non-current asset held for sales	-	(119,263)	-	-	-	-	-	(119,263)
At 31.12.2009	176,985	839,880	24,618,219	6,278,290	5,128,214	2,721,623	-	39,763,211
Net carrying amount								
At 31.12.2009	10,123,321	55,531,626	30,025,004	2,762,000	5,682,671	3,727,514	4,759,167	112,611,303

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2008	Freehold land and building RM	Long leasehold building RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Capital work-in-progress RM	Total 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

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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	
	2009	2008
	RM	RM
Motor vehicles	7,186,409	10,608,878
Plant and machinery	453,349	547,472
Office equipment	5,885	7,082
	7,645,643	11,163,432

4. GOODWILL

	Group	
	2009	2008
Cost	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	
	2009	2008
	RM	RM
Trucking division	864,854	864,854

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

4. GOODWILL (CONT'D)

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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

5. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2009 RM	Company 2008 RM
Unquoted shares at cost	14,262,565	14,262,565

The subsidiary companies are as follows:

	Equity interest 2009 %	Equity interest 2008 %	Country of incorporation	Principal activities
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agent
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental, provision of truck repair and maintenance and provision of logistic related services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental
*Trans-Asia Shipping Pte Ltd	100	100	Singapore	Forwarding, handling agents and freight forwarders
Maya Kekal Sdn Bhd	100	100	Malaysia	Warehouse rental
Precious Fortunes Sdn Bhd	100	100	Malaysia	Warehouse rental
Tasco Express Sdn Bhd	100	100	Malaysia	Dormant
Omega Saujana Sdn Bhd	51	51	Malaysia	Provision of services related to freight forwarding
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Provision of services related to freight forwarding

* Audited by Mazars Singapore

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

6. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unquoted shares at cost	3,000,000	3,000,000	3,000,000	3,000,000
Group's share of post- acquisition reserves and retained profits less losses	3,105,579	3,429,977	-	-
	6,105,579	6,429,977	3,000,000	3,000,000

The associated company, incorporated in Malaysia, is as follows:

	Equity interest		Principal activities
	2009 %	2008 %	
* Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Warehouse rental

** Not audited by Mazars*

The summarised unaudited financial information of the associated company are as follows:

	2009 RM	2008 RM
Assets and liabilities		
Total assets	14,766,597	15,594,091
Total liabilities	2,555,443	2,734,138
Results		
Revenue	2,265,900	2,292,000
Profit after tax for the year	1,310,659	1,339,860

7. OTHER INVESTMENTS

	Group/Company	
	2009 RM	2008 RM
Shares quoted in Malaysia at cost	26,000	26,000
Unquoted shares at cost	367,700	375,100
Transferable corporate club memberships at cost	851,403	841,403
	1,245,103	1,242,503
Diminution in value of unquoted shares	(19,999)	(19,999)
	1,225,104	1,222,504
Market value of shares quoted in Malaysia	11,400	8,600

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

8. PREPAID LEASE PAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Long leasehold land				
Cost				
At 1 January	21,535,271	6,329,417	20,928,105	6,329,417
Acquisition of subsidiary	-	3,252,105	-	-
Additions	17,863,248	8,898,688	17,863,248	14,598,688
Fair value adjustments	-	3,055,061	-	-
Transfer to non-current asset held for sale	(1,614,066)	-	(1,614,066)	-
At 31 December	37,784,453	21,535,271	37,177,287	20,928,105
Accumulated depreciation				
At 1 January	995,245	242,025	339,287	242,025
Acquisition of subsidiary	-	607,165	-	-
Amortisation for the year	324,850	146,055	293,382	97,261
At 31 December	1,320,095	995,245	632,669	339,286
Net carrying amount				
At 31 December	36,464,358	20,540,026	36,544,618	20,588,819

The title deed included above at carrying amount, totaling RM17,863,248 have yet to be transferred or issued in the name of the Company.

9. INVENTORIES

Inventories represent parts and consumables at cost.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

10. TRADE RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Gross trade receivables	53,636,473	58,975,573	52,889,854	58,554,572
Less: Allowance for doubtful debts	(3,531,617)	(1,675,949)	(3,472,620)	(1,675,949)
	50,104,856	57,299,624	49,417,234	56,878,623

Included in trade receivables are amounts owing by:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Substantial shareholders	-	2,598,689	-	2,598,689

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
- Ringgit Malaysia	50,440,130	53,864,579	49,761,337	53,565,274
- United States Dollar	2,219,043	4,036,711	2,219,043	4,036,711
- Singapore Dollar	319,752	377,024	251,926	255,328
- Thai Baht	374,366	301,458	374,366	301,458
- Arab Emirates Dollar	283,182	394,841	283,182	394,841
- Euro	-	960	-	960
	53,636,473	58,975,573	52,889,854	58,554,572

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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

11. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2009 RM	2008 RM
Trade accounts	1,103,810	151,037
Non-interest bearing advances	1,027,203	1,214,228
	2,131,013	1,365,265

The amounts owing to subsidiary companies comprise:

	Company	
	2009 RM	2008 RM
Trade accounts	1,957,845	1,958,631
Non-interest bearing advances	15,572,075	12,509,977
Unpaid consideration for property, plant and equipment acquired (see note 32)	11,530,735	11,451,735
Unpaid consideration for additions to prepaid lease payments acquired (see note 34)	5,700,000	5,700,000
	34,760,655	31,620,343

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

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

12. AMOUNTS OWING BY/TO RELATED COMPANIES

The amount owing by/to related companies represent trade accounts in which are expected to be settled within the normal credit periods.

13. AMOUNTS OWING BY/TO ASSOCIATED COMPANY

The amounts owing by associated company comprise:

	Group/Company	
	2009 RM	2008 RM
Trade accounts	-	1,600
Non-interest bearing advances	-	805,555
	-	807,155

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 amount owing to associated company represents trade accounts and are expected to be settled within the normal credit periods.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

14. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the Group's and of the Company's deposits range from 1.20% to 2.50% (2008 : 2.90% to 3.20%) 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	
	2009 RM	2008 RM
- Ringgit Malaysia	19,221,774	29,797,987
- US Dollar	-	977,805
	19,221,774	30,775,792

15. CASH AND BANK BALANCES

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
- Ringgit Malaysia	15,503,822	14,910,470	13,729,851	12,051,510
- US Dollar	135,628	73,611	135,628	73,611
- Singapore Dollar	178,350	672,843	12,936	488,541
- Thai Baht	1,433	1,433	1,433	1,433
	15,819,233	15,658,357	13,879,848	12,615,095

16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The Company has received an offer to dispose a leasehold land and building. The disposal is expected to be completed in 2010.

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

The carrying amount of the assets held for sale are as follows:

	Group/Company	
	2009 RM	2008 RM
Assets classified as held for sale:		
Property, plant and equipment		
At cost	5,504,450	-
Accumulated depreciation	(119,263)	-
Net book value	5,385,187	-
Prepaid lease payments		
At cost	1,614,066	-
	6,999,253	-

The title deed of the leasehold land has yet to be transferred or issued in the name of the Company.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

17. SHARE CAPITAL

	Group/Company	
	2009	2008
	RM	RM
Authorised:		
200,000,000 ordinary shares of RM1 each	200,000,000	200,000,000
Issued and fully paid:		
100,000,000 ordinary shares of RM1 each	100,000,000	100,000,000

The Company implemented an Employees' Share Option Scheme ("ESOS") in 2007 in conjunction with the listing of the Company's share on the Main Market of Bursa Malaysia Securities Berhad.

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 decide from time to time at its absolute discretion;

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

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

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

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

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

(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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

17. SHARE CAPITAL (CONT'D)

(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

The share premium arose from public issue of Company's shares in 2007.

19. RESERVES

19.1 Revalution Reserve

The revaluation reserve represents increase in the fair value of land and buildings.

19.2 Hedge Reserve

The hedge reserve represents fair value adjustment on cash flow hedges.

19.3 Exchange Translation Reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

20. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group/Company	
	2009 RM	2008 RM
Total future instalments payable	875,857	2,823,325
Unexpired term charges	(26,912)	(94,828)
Total outstanding principal	848,945	2,728,497
Future instalments payable		
- not later than one year	592,672	2,049,054
- later than one year but not later than 5 years	283,185	774,271
Total future instalments payable	875,857	2,823,325
Outstanding principal		
- not later than one year (included under current liabilities)	569,312	1,977,542
- later than one year but not later than 5 years	279,633	750,955
Total outstanding principal	848,945	2,728,497

The effective interest rates of the hire purchase and finance lease liabilities for the Group and for the Company are between 4.54% to 6.60% (2008 : 4.54% to 7.00%) per annum.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

21. BANK BORROWING

	Group/Company 2009 RM	2008 RM
RM16.8 million bank term loan repayable by monthly instalments of RM280,000 each commencing on 1 September 2009 bearing interest at 0.875% above the KLIBOR (effective interest rate : 2.975%) per annum	15,207,470	-
Repayable within the next 12 months included under current liabilities	2,887,470	-
Repayable later than 12 months but not later than five years included under non-current liabilities	12,320,000	-
The long term bank loan is repayable as follows:		
- not later than one year (included under current liabilities)	2,887,470	-
- later than one year but not later than five years (included under non-current liabilities)	12,320,000	-
	15,207,470	-

The term loan is denominated in US Dolllar and is unsecured.

22. DEFERRED TAX LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of the year	6,488,212	2,316,937	6,000,000	2,220,000
Acquisition of subsidiary	-	1,854,510	-	-
Transfer (to)/from income statement	(44,016)	1,869,308	-	3,780,000
Fair value adjustments	-	447,457	-	-
At end of the year	6,444,196	6,488,212	6,000,000	6,000,000

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	6,428,056	6,881,723	6,411,910	6,840,968
- surplus on revaluation of land and buildings	428,050	447,457	-	-
- allowance for doubtful debts	(282,960)	(418,987)	(282,960)	(418,987)
- unpaid qualifying expenditure of hire purchase and finance lease liabilities	(128,950)	(421,981)	(128,950)	(421,981)
	6,444,196	6,488,212	6,000,000	6,000,000

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

23. TRADE PAYABLES

Included in trade payables are amounts owing to:

	Group/Company	
	2009	2008
	RM	RM
Substantial shareholders	-	713,793
Director-related company	-	33,818

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
- Ringgit Malaysia	15,242,116	18,465,234	14,790,398	18,101,413
- US Dollar	1,309,034	1,379,732	1,309,035	1,379,732
- Thai Baht	1,134,580	1,491,571	1,134,580	1,491,571
- Japanese Yen	979,588	1,160,804	979,588	1,160,804
- Singapore Dollar	689,873	1,139,219	668,165	1,093,727
- Euro	147,522	112,707	147,522	112,707
- Hong Kong Dollars	116,991	102,998	116,991	102,998
- Sterling Pound	13,069	46,623	13,069	46,623
- Others	61,636	67,069	61,636	67,069
	19,694,409	23,965,957	19,220,984	23,556,644

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.

24. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Unpaid consideration for property, plant and equipment acquired (see note 32)	13,299,640	19,137,968	13,299,640	19,137,968
Other payables included financial derivatives	799,079	-	799,079	-
Other sundry payables, deposits and accruals	10,806,574	11,409,922	10,016,882	10,336,688
	24,905,293	30,547,890	24,115,601	29,474,656

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

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
- Ringgit Malaysia	24,071,063	30,500,674	23,316,522	29,474,656
- US Dollar	35,151	-	-	-
- Singapore Dollar	799,079	47,216	799,079	-
	24,905,293	30,547,890	24,115,601	29,474,656

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

25. REVENUE

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Air freight forwarding	101,746,800	157,796,647	101,746,800	157,796,647
Customs forwarding	42,975,945	64,951,035	42,975,945	64,951,035
Warehousing	40,780,625	42,917,783	40,756,624	42,620,783
Container haulage	17,037,055	13,023,922	17,037,055	13,023,922
Trucking	53,552,313	57,178,537	51,425,270	54,822,461
Sea freight forwarding	19,441,101	24,448,666	19,441,101	24,448,666
Auto logistic services	2,954,953	4,304,954	2,954,953	4,304,954
Buyer consolidation services	2,141,705	1,834,552	2,141,705	1,834,552
	280,630,497	366,456,096	278,479,453	363,803,020

26. PROFIT FROM OPERATIONS

	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
Profit from operations is stated after charging:				
Amortisation of prepaid lease payments	324,850	146,055	293,382	97,261
Auditors' remuneration				
- statutory audit	107,986	108,287	64,000	60,000
- overprovision in prior year	(13,800)	(3,653)	-	-
- special audit	-	-	-	-
- underprovision in prior year	-	11,450	-	11,950
- other services	5,000	5,000	5,000	5,000
- underprovision in prior year	-	5,000	-	5,000
Allowance for doubtful debts	1,855,668	-	1,796,671	-
Depreciation	11,319,188	8,587,460	11,144,098	7,943,116
Directors' remuneration				
- fees	167,400	172,000	167,400	172,000
- other emoluments	2,058,358	2,526,160	1,766,232	2,204,678
Property, plant and equipment written off	123,783	71,761	123,783	71,761
Realised loss on foreign exchange	127,406	922	127,607	-
Operating lease				
- Minimum lease payments for				
- land and buildings	5,448,779	6,199,634	5,250,829	5,907,291
- trucks	1,855,235	1,746,855	1,391,991	2,615,451
- forklifts	945,058	782,762	923,248	761,504
- office equipment	614,649	588,897	614,649	588,897
and crediting:				
Gain on disposal of				
- property, plant and equipment	2,480,280	18,000	2,451,780	18,000
- assets held for sales	-	495,400	-	495,400
Gain on foreign exchange				
- Realised	-	179,839	-	179,839
- Unrealised	83,756	-	83,756	-
Operating lease income from				
- land and buildings	-	297,000	-	4,200
- trucks	-	-	-	607,572

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

27. PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Gross dividends from				
- an associated company	-	-	1,306,305	1,088,588
- other investments				
- unquoted	37,016	-	37,016	-
Interest income	392,913	1,065,638	392,913	1,065,638
Loss on disposal of other investments	(3,390)	-	(3,390)	-
Discount on acquisition of subsidiaries	-	1,945,816	-	-
	426,539	3,011,454	1,732,844	2,154,226

28. FINANCE COSTS

	Group/Company	
	2009 RM	2008 RM
Interest paid and payable on		
- hire purchase	74,366	186,378
- revolving credits	-	5,691
- term loan	161,601	-
	235,967	192,069

29. TAX EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysian tax based on results for the year				
- current	3,736,278	2,356,758	3,184,123	1,750,000
- deferred	(44,016)	1,557,766	-	3,487,865
	3,692,262	3,914,524	3,184,123	5,237,865
(Over)/Underprovision in prior years				
- current	(6,146,238)	(16,439)	(6,238,793)	(11,561)
- deferred	-	292,135	-	292,135
	(2,453,976)	4,190,220	(3,054,670)	5,518,439

The statutory tax rate applicable to the Company was reduced from 26% in 2008 to 25% in 2009.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

29. TAX EXPENSE (CONT'D)

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	
	2009 RM	2008 RM	2009 RM	2008 RM
Accounting profit	13,504,012	21,946,454	12,328,379	18,156,780
Taxation at applicable statutory tax rate	3,376,003	5,549,312	3,082,095	4,720,763
Tax effects arising from:				
- non-taxable income	(379,076)	(128,804)	(371,950)	(128,804)
- non-deductible expenses	619,539	483,972	473,978	784,337
Originating of deferred taxassets not recognised	75,796	3,438	-	-
Effect of different tax rate in another country	-	432	-	-
Effect of change in future tax rate		(139,316)	-	(138,431)
Realisation of deferred tax liability on disposal of leasehold land and building	-	(1,854,510)	-	-
(Over)/Underprovision in prior years	(6,146,238)	275,696	(6,238,793)	280,574
	(2,453,976)	4,190,220	(3,054,670)	5,518,439

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	
	2009 RM	2008 RM	2009 RM	2008 RM
Unabsorbed tax losses	1,239,376	912,508	-	-

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

The basic earnings per share has been calculated by dividing the Group's profit for the year attributable to shareholders of the Company of RM16,559,725 (2008 : RM18,357,766) by the number of shares in issue of 100,000,000 (2008 : 100,000,000).

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

31. DIVIDEND

In respect of the year ended 31 December 2009

	2009 RM	2008 RM
Tax exempt interim dividend of 4 sen per ordinary share of RM1.00	4,000,000	-

Subsequent to the financial year end, the Directors have recommended the payment of a tax exempt final dividend of 3 sen per share amounting to RM3,000,000. The dividend will be recognised in subsequent financial year upon approval by the owners of the Company.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Aggregate cost of property, plant and equipment acquired	35,715,952	47,393,104	36,466,952	61,507,461
Financed via hire purchase and finance lease	(129,000)	(1,080,930)	(129,000)	(1,080,930)
Unpaid balance included under other payables, deposits and accruals (see note 24)	(12,694,793)	(19,137,968)	(12,694,793)	(19,137,968)
Unpaid balance included under amount owing to subsidiary companies (see note 11)	-	-	(751,000)	(11,451,735)
Cash paid in respect of the previous year acquisition	18,606,095	-	19,278,095	-
Total cash paid during the financial year	41,498,254	27,174,206	42,170,254	29,836,828

33. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Net carrying amount of property, plant and equipment disposed of	15,487,620	-	15,487,620	-
Gain on disposal	2,480,280	18,000	2,451,780	18,000
Total cash received during the financial year	17,967,900	18,000	17,939,400	18,000

34. ADDITIONS TO PREPAID LEASE PAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Aggregate cost of prepaid lease payment	17,863,248	8,898,688	17,863,248	14,598,688
Unpaid balance included under amount owing to a subsidiary company (see note 11)	-	-	-	(5,700,000)
Deposit paid in prior year	-	(165,234)	-	(165,234)
Deposit paid in current year	-	544,500	-	544,500
Total cash paid during the financial year	17,863,248	9,277,954	17,863,248	9,277,954

35. PROCEEDS FROM DISPOSAL OF ASSETS HELD FOR SALES

	Group/Company	
	2009 RM	2008 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	-	(460,016)
Total cash received during the financial year	-	4,140,146

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

36. ACQUISITION OF SHARES IN NET SUBSIDIARY COMPANIES

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

Name of subsidiary company	Cash consideration	Equity interest acquired RM	Effective acquisition date %
Maya Kekal Sdn Bhd ("MYSB")	2,506,065	100	11 February 2008
Precious Fortunes 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	17,311,998
Current assets	1,642,502
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)

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

36. ACQUISITION OF SHARES IN NET SUBSIDIARY COMPANIES (CONT'D)

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

37. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Employee benefits expense	40,813,112	39,853,334	33,011,811	33,383,083

Included in the employee benefits expense are EPF contributions amounting to RM2,926,400 (2008 : RM3,061,146) for the Group and RM2,296,023 (2008 : RM2,563,306) for the Company.

38. RELATED PARTY DISCLOSURES

	Transaction value Company		Balance outstanding Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Transactions with subsidiary companies				
Rental of trucks paid and payable to subsidiary companies	458,728	1,476,168	-	328,637
Labour charges paid and payable to subsidiary companies	7,022,644	5,549,666	5,549,666	778,169
Maintenance charges paid and payable to a subsidiary company	3,795,246	3,534,485	-	718,630
Handling fees paid and payable to a subsidiary company	432,398	741,065	-	131,995
Related logistic services paid to a subsidiary company	6,000	5,200	-	1,200
Labour charges received and receivable from a subsidiary company	-	58,184	-	3,266
Rental of premises received from a subsidiary company	4,550	4,200	-	-
Rental of trucks received and receivable from a subsidiary company	607,572	607,572	161,041	54,771
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	751,000	21,172,000	17,230,735	17,151,735
Warehouse rental received and receivables to a subsidiary company	1,116,000	558,000	279,000	93,000
Accounting fee received from a subsidiary company	-	6,000	-	-

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

38. RELATED PARTY DISCLOSURES (CONT'D)

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM	2009 RM	2008 RM
Transactions with related companies								
Related logistic services received and receivable from	34,481,359	-	34,481,359	-	6,206,380	-	6,206,380	-
Related logistic services paid and payable	29,892,384	-	29,741,803	-	2,631,090	-	2,631,090	-
Management fee paid and payable	185,631	-	185,631	-	-	-	-	-
Consultancy fees paid and payable	306,062	-	175,200	-	-	-	-	-
Transactions with associated companies								
Rental of premises paid	1,127,949	1,128,600	1,127,949	1,128,600	846,450	1,903,615	846,450	1,903,615
Accounting fee received	-	22,200	-	22,200	-	1,600	-	1,600
Transactions with substantial shareholders								
Related logistic services received and receivable	3,583,165	26,355,869	3,583,165	26,355,869	-	2,598,689	-	2,598,689
Related logistic services paid andN payable	1,918,696	17,492,970	1,918,696	17,492,970	-	713,793	-	713,793
Transactions with related parties								
Related logistic services received and receivable	-	33,854,175	-	33,854,175	-	4,341,878	-	4,341,878
Related logistic services paid and payable	-	32,151,205	-	32,151,205	-	2,563,456	-	2,563,456
Transactions with a company in which a director's immediate family member has interest								
Rental paid and payable	-	405,821	-	405,821	-	33,818	-	33,818

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

38. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Directors				
Short-term employee benefits				
- remuneration	2,091,185	2,533,718	1,799,062	2,212,236
Post-employment benefits				
- EPF	134,570	164,442	134,570	164,442
	2,225,755	2,698,160	1,933,632	2,376,678
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	1,198,578	1,272,159	1,198,578	1,272,159
Post-employment benefits				
- EPF	144,933	165,163	144,933	165,163
	1,343,511	1,437,322	1,343,511	1,437,322
Total compensation	3,569,266	4,135,482	3,277,143	3,814,000

39. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases a number of land and buildings and warehouses from its associated company 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	
	2009 RM	2008 RM	2009 RM	2008 RM
Not later than one year	1,196,781	2,336,781	900,000	900,000
Later than one year but not later than 5 years	3,030,000	7,635,000	3,030,000	3,930,000
	4,226,781	9,971,781	3,930,000	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.

40. OTHER COMMITMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Authorised and contracted for				
- acquisition of property, plant and equipment	5,359,425	-	5,359,425	-

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

41. FINANCIAL INSTRUMENTS

(a) Foreign currency exchange risk

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

	Amount to be paid JPY	equivalent RM	Average contractual rate	←settlement period→ Within 1 year years RM	2 to 5 years RM
2009					
Trade payables	19,015,455	723,851	0.038	723,851	-
2008					
Trade payables	21,829,759	854,381	0.039	854,381	-

(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 RM	Fair value RM
2009		
Other investments		
Shares quoted in Malaysia	26,000	11,400
Unquoted shares	367,700	*
Transferable corporate club memberships	851,403	*
Unsecured bank loan	15,207,470	14,880,921
2008		
Other investments		
Shares quoted in Malaysia	26,000	8,600
Unquoted shares	355,101	*
Transferable corporate club memberships	841,403	*

* 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.

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

42. 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")	- Airfreight 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

2009	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated RM
REVENUE							
External sales	101,746,800	100,793,624	53,552,314	19,441,101	2,954,953	2,141,705	280,630,497
RESULTS							
Segment results	1,117,577	8,754,597	3,845,136	(1,888,560)	272,722	252,697	12,354,169
Unallocated corporate expense							959,271
Profit from operations							13,313,440
Profit from investing activities	-	-	-	-	-	-	426,539
Share of associated companies' profits	-	655,330	-	-	-	-	655,330
Finance costs	-	-	-	-	-	-	(235,967)
Profit before tax							14,159,342
Tax expense	-	-	-	-	-	-	2,453,976
Profit for the year							16,613,318

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

42. SEGMENTAL ANALYSIS (CONT'D)

2009	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated RM
OTHER INFORMATION							
Segment assets	47,375,717	87,764,679	46,116,362	9,924,061	9,694,511	1,047,755	201,923,125
Investment in associated companies	-	6,105,579	-	-	-	-	6,105,579
Unallocated corporate assets	-	-	-	-	-	-	49,124,265
Current tax assets	-	-	-	-	-	-	6,217,725
Consolidated total assets							263,370,694
Segment liabilities	6,368,481	19,682,595	8,697,177	1,092,045	104,948	75,288	36,020,534
Unallocated corporate liabilities	-	-	-	-	-	-	28,008,349
Current and deferred tax liabilities	-	-	-	-	-	-	6,695,234
Consolidated total liabilities							70,724,117
Capital expenditure	689,596	28,663,495	1,715,678	272,567	7,470	13,299	
Amortisation and depreciation	1,219,060	5,434,824	3,450,669	267,456	327,080	34,817	
Other non-cash items	(110,454)	(1,155,437)	(662,777)	1,655,796	7,680	(468)	

Notes to the Financial Statements (Cont'd)

for the financial year ended 31 December 2009

42. SEGMENTAL ANALYSIS (CONT'D)

2008

	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated 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 investing 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

42. SEGMENTAL ANALYSIS (CONT'D)

2008

	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated 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	-	-	-	

(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.

43. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 10 February 2010 by the board of directors.

Statement By Directors

In the opinion of the directors, the financial statements set out on pages 50 to 97 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 2009 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 10 February 2010

LEE CHECK POH
Director

AHMAD BIN ISMAIL
Director

Statutory Declaration

I, Tan Kim Yong, being the person primarily responsible for the financial management of TASCO Berhad (formerly known as 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 50 to 97 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 10 February 2010)
)
)
) TAN KIM YONG

Before me:
ROBERT LIM HOCK KEE
W092

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 Properties	Date Acquired	Net Book value At 31.12.2009 (RM'000)
1	Shah Alam Lot No. 1A, Persiran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre and Shah Alam Truck Freight Station	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 33,846	21 years	30 Jun 2009	41,800
2	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi, Selangor Bandar Baru Bangi Lot 46864 (PT 61734), Seksyen 10 43650 Bandar Baru Bangi, Selangor	Industrial Land Industrial Land	Bangi Auto Logistics Centre	Leasehold 99 years expiring 19.08.2098	Land - 60,691 Built-up - 12,119	2 years	25 May 2004	14,295
3	Seberang Perai Tengah Plot 2 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai, Pulau Pinang Truck Freight Station	Industrial Land	Penang Prai Logistics Centre and Penang	Leasehold 60 years expiring 08.05.2052	Land - 20,611 Built-up - 9,282	18 years	18 Jul 2008	14,181
4	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	18 years	19 Feb 2008	13,721
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 Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	3 years	04 Jun 2008	7,886
6	Alor Gajah Plot 23 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre and Melaka Truck Freight Station	Leasehold 99 years expiring - Note (a)	Land - 10,234 Built-up - 4,278	2 years	17 Mar 2008	6,999
7	Petaling No. 9 Jalan SS8/4 Sungai Way Industrial Free Trade Zone, 47300 Petaling Jaya, Selangor	Industrial Land	Sungai Way Logistics Centre	Freehold Built-up - 1,592	Land - 3,559	36 years	11 Feb 2008	6,406
8	Kinta Lot No. 21402 Lebuh Perusahaan Klebang 11 Kawasan Perusahaa International IGB 31200 Ipoh Perak	Industrial Land	Ipoh Logistics Centre and Ipoh Truck Freight Station	Freehold Built-up - 1794	Land - 9,864	2 years	11 Jan 2007	3,717
9	Bandar Baru Bangi No. 19, Jalan P/9A, Kawasan Perusahaan Seksyen 13 Bandar Baru Bangi Selangor	Industrial Land	Bangi Workshop Centre	Leasehold 99 years expiring 29.09.2086	Land - 465 Built-up - 195	19 years	22 May 1991	194

Note (a) 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 2010

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	372	354,600	0.35
1,001 to 10,000 shares	1,057	5,058,148	5.06
10,001 to 100,000 shares	260	7,645,900	7.65
100,001 to less than 5% of issued shares	59	54,441,300	54.44
5% and above of issued shares	5	32,500,000	32.50
Total	**1,755**	**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.	RHB Capital Nominees (Tempatan) Sdn Bhd *Lau Peng Kee @ Low Peng Pooi*	894,500	0.89
26.	Lau Peng Kee @ Low Peng Pooi	880,000	0.88
27.	Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yong Kin Nam @ Yong Chiam Chin*	700,000	0.70
28.	RHB Capital Nominees (Tempatan) Sdn Bhd *Tuw Fong Liong*	569,800	0.57
29.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Yoong Nyock*	565,200	0.57
30.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Yoong Nyock*	550,000	0.55
	Total	**78,959,500**	**78.96**

Analysis of Shareholdings (Cont'd)

as at 14 April 2010

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 Peter	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 % 2008	Group Effective Interest % 2009	Principal Activities
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	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	100.00	Warehouse rental
8.	Precious Fortunes Sdn Bhd	Malaysia	100.00	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 % 2008	Group Effective Interest % 2009	Principal Activities
1.	Agate Electro Supplies Sdn Bhd	Malaysia	50.00	50.00	Warehouse rental

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting of the Company will be held at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan on Wednesday, 9 June 2010 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 2009 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the payment of a First and Final Tax Exempt Dividend of 3 sen per ordinary share in respect of the financial year ended 31 December 2009. **Ordinary Resolution 2**

3. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Articles of Association:-

   2.1 Kimio Maki **Ordinary Resolution 3**
   2.2 Raymond Cha Kar Siang **Ordinary Resolution 4**
   2.3 Raippan s/o Yagappan @ Raiappan Peter **Ordinary Resolution 5**

4. To re-appoint Messrs Mazars as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 6**

5. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 7**

   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 Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 17 May 2010 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

   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 Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature."

6. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 8**

   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."

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

Notice of Annual General Meeting (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a First and Final Tax Exempt Dividend of 3 sen per ordinary share for the financial year ended 31 December 2009, if approved by the shareholders, will be paid on 15 July 2010 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 28 June 2010.

A Depositor shall qualify for entitlement only in respect of:-

(a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 28 June 2010 in respect of transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya
Date: 17 May 2010

Notes:

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

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

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

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

5. 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 17 May 2010, which is despatched together with the Company's Annual Report 2009.

   Ordinary Resolution 8
   Authority to Issue Shares

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

   The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to issue 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.

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

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

TASCO
NYK GROUP COMPANY

TASCO Berhad (20218-T)
(Formerly known as Trans-Asia Shipping Corporation Berhad)
(Incorporated in Malaysia)

Proxy Form

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

of ____
(Full Address)

being a member/members of TASCO Berhad (Formerly known as Trans-Asia Shipping Corporation Berhad) hereby appoint __________

____
(Full Name)

of ____
(Full Address)

or failing him/her, ____
(Full Name)

of ____
(Full Address)

as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fifth Annual General Meeting of the Company to be held at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan on Wednesday, 9 June 2010 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		

Dated:

Number of shares held	

____
Signature/Common Seal of Shareholder(s)

Notes:-

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

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

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

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

Fold this flap for sealing

Then fold here

Affix
Stamp

THE COMPANY SECRETARY
TASCO Berhad (20218-T)

312, 3RD FLOOR, BLOCK C,
KELANA SQUARE
17 JALAN SS7/26
47301 PETALING JAYA
SELANGOR DARUL EHSAN.

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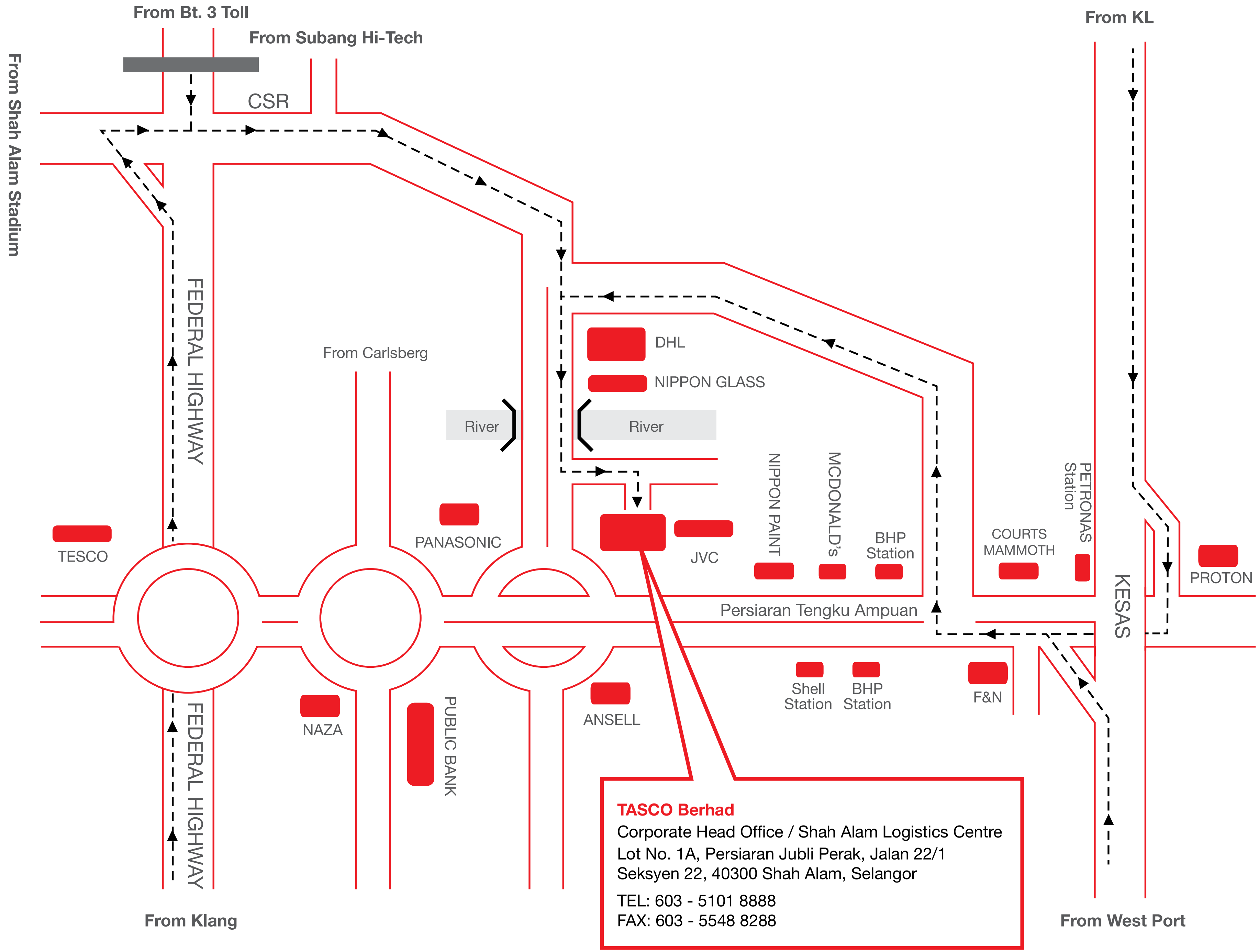

From Bt. 3 Toll
From Subang Hi-Tech
From KL
From Shah Alam Stadium
CSR
FEDERAL HIGHWAY
FEDERAL HIGHWAY
From Carlsberg
River
River
DHL
NIPPON GLASS
NIPPON PAINT
MCDONALD's
BHP Station
COURTS MAMMOTH
PETRONAS Station
KESAS
PROTON
TESCO
PANASONIC
JVC
Persiaran Tengku Ampuan
NAZA
PUBLIC BANK
ANSELL
Shell Station
BHP Station
F&N
TASCO Berhad
Corporate Head Office / Shah Alam Logistics Centre
Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1
Seksyen 22, 40300 Shah Alam, Selangor
TEL: 603 - 5101 8888
FAX: 603 - 5548 8288
From Klang
From West Port

TASCO Berhad
Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1
Seksyen 22, 40300 Shah Alam, Selangor, Malaysia
Tel : 603 5101 8888
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