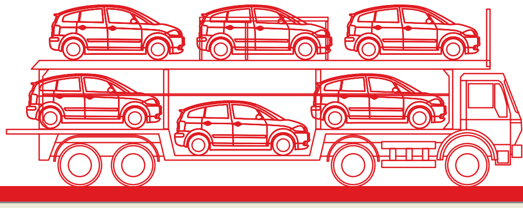
GLOBALLY DEDICATED LOCALLY FOCUSED

ANNUAL REPORT 2010

TASCO
NYK GROUP COMPANY



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, MISSION & VALUES

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:

- A 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

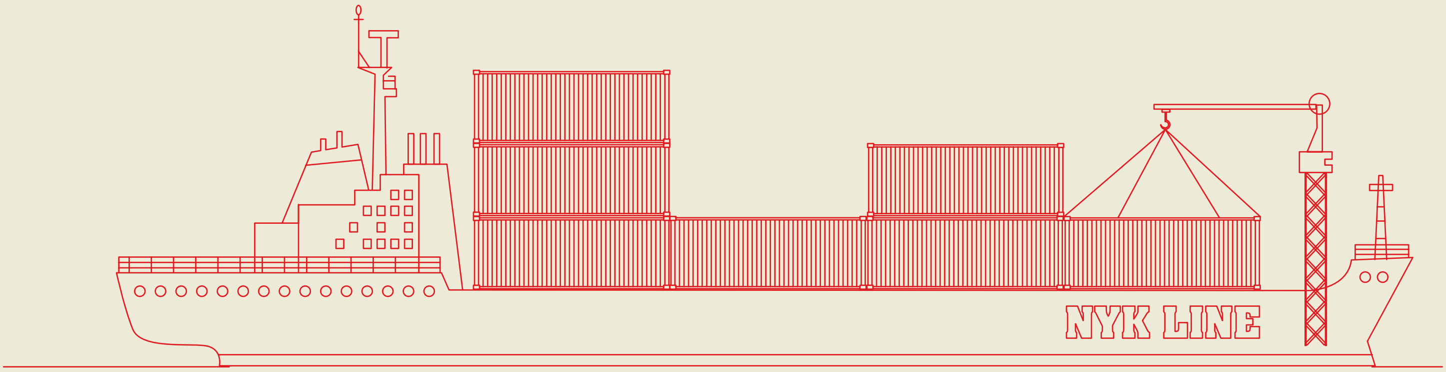
Be respectful and considerate to our customers and colleagues. Stay warm, cordial courteous and caring.

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

DOMESTIC LOGISTICS SOLUTIONS

TASCO

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

AUTO CBU DIVISION
- Car Carrier
- Pre-delivery Inspection

HARIMAU EXPRESS

TRUCKING DIVISION
- Domestic Trucking
- Cross Border Trucking

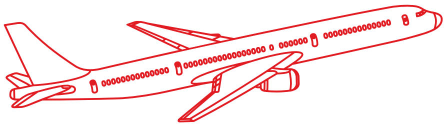
About TASCO Berhad ("TASCO")

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 300 distribution centres 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.



ABOUT US

INTERNATIONAL LOGISTICS SOLUTIONS

Yusen Logistics

INTERNATIONAL AIR FREIGHT DIVISION
- Air Freight Services

INTERNATIONAL SEA FREIGHT DIVISION
- Sea Freight Services

INTERNATIONAL NETWORK SOLUTIONS DIVISION
- Buyer Consolidation Services

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 468 in 2010) and has more than 50,000 employees worldwide; and
- NYK's major businesses consist of Shipping Business (Liner and Bulk), Logistics Business, Terminal and Harbour Transport Business, Cruise Business and Air Cargo Transportation.

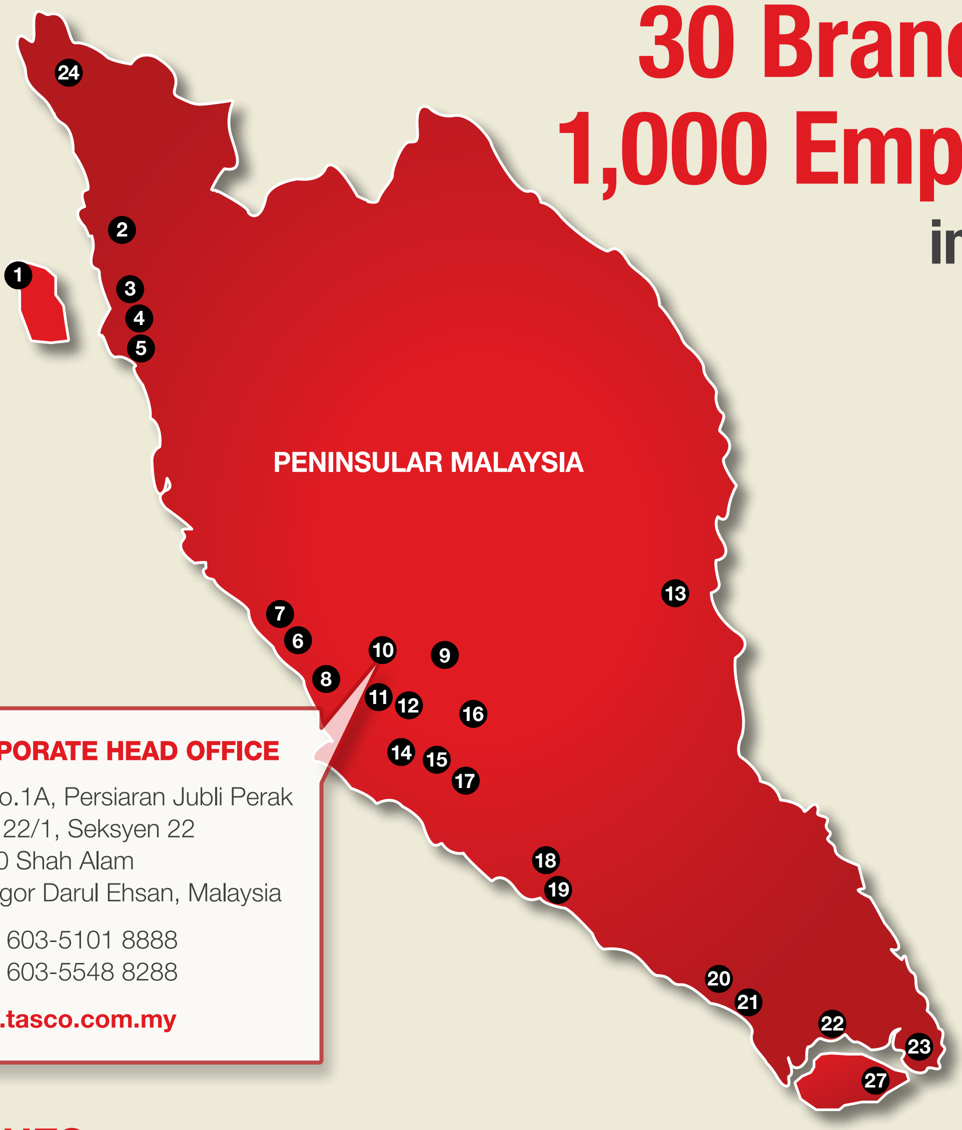
About Yusen Logistics Co. Ltd. ("YLK")

(formerly known as Yusen Air & Sea Service Co. Ltd.)

- YLK is listed on the Tokyo Stock Exchange and is a subsidiary of NYK;
- YLK has more than 100 distribution centres and 5,000 employees in 33 countries; and
- YLK is one of the leading international air freight forwarders in Japan.
- Yusen Air & Sea Service Co. Ltd had on 1 October 2010 changed its company name to Yusen Logistics Co. Ltd upon the completion of integration with NYK Logistics (Japan) Co. Ltd which is a consolidated subsidiary of NYK.

DOMESTIC NETWORK

"More than 30 Branches & 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, Malaysia

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. SOEM Penang Office
5. Ipoh Logistics Centre / Ipoh Truck Freight Station
6. Port Klang Logistics Centre 1
7. Port Klang Logistics Centre 2 / Port Klang Auto Logistics Centre
8. North Port Logistics Centre
9. Sungai Way Logistics Centre
10. **CORPORATE HEAD OFFICE /** Shah Alam Logistics Centre 1 / Shah Alam Truck Freight Station
11. Shah Alam Logistics Centre 2
12. Shah Alam Logistics Centre 3
13. Kuantan Truck Logistics Centre / Kuantan Truck Freight Station
14. Bangi Auto Logistics Centre
15. Bangi Logistics Centre

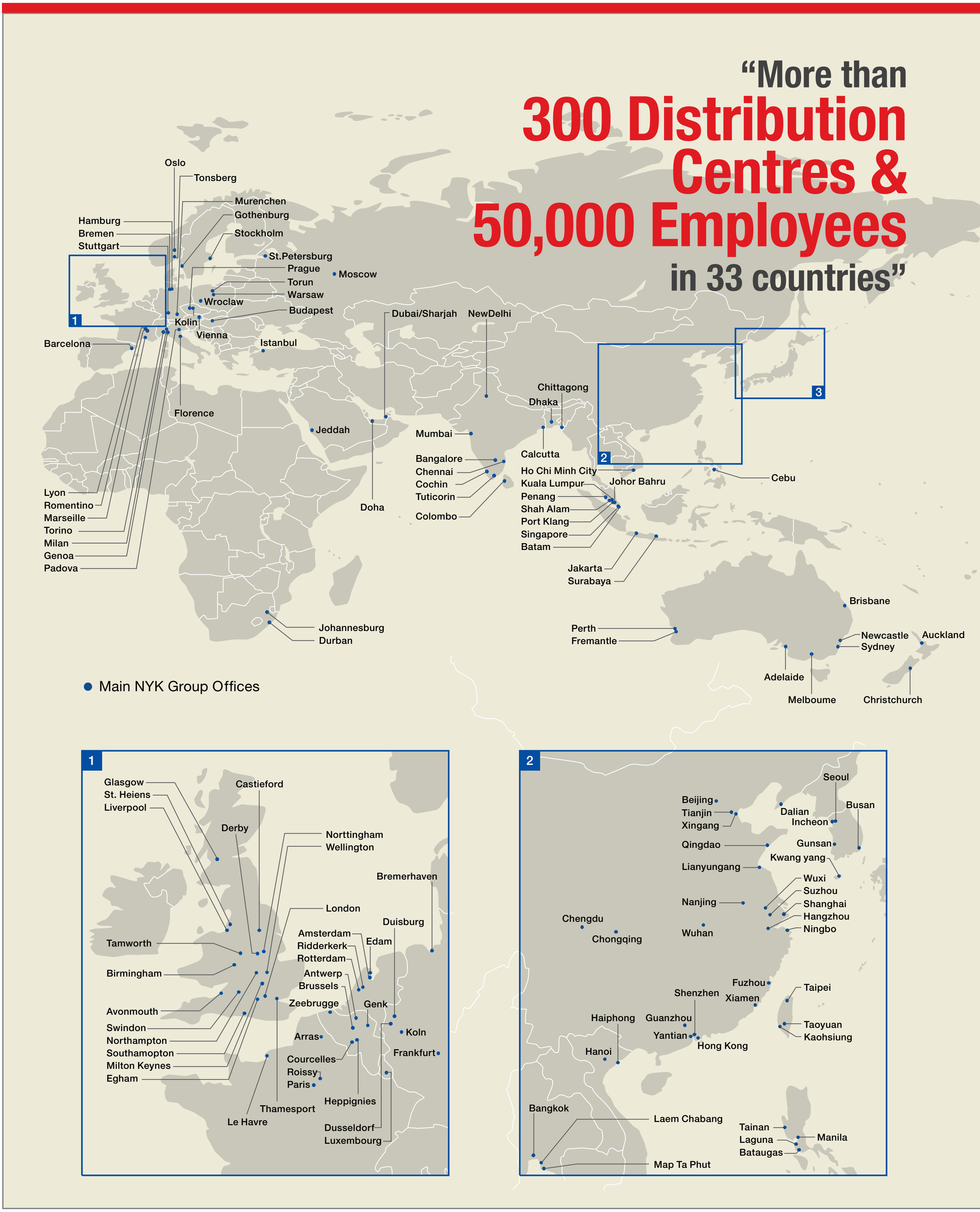
DOMESTIC NETWORK

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

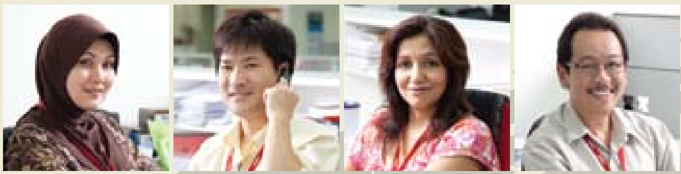
SINGAPORE

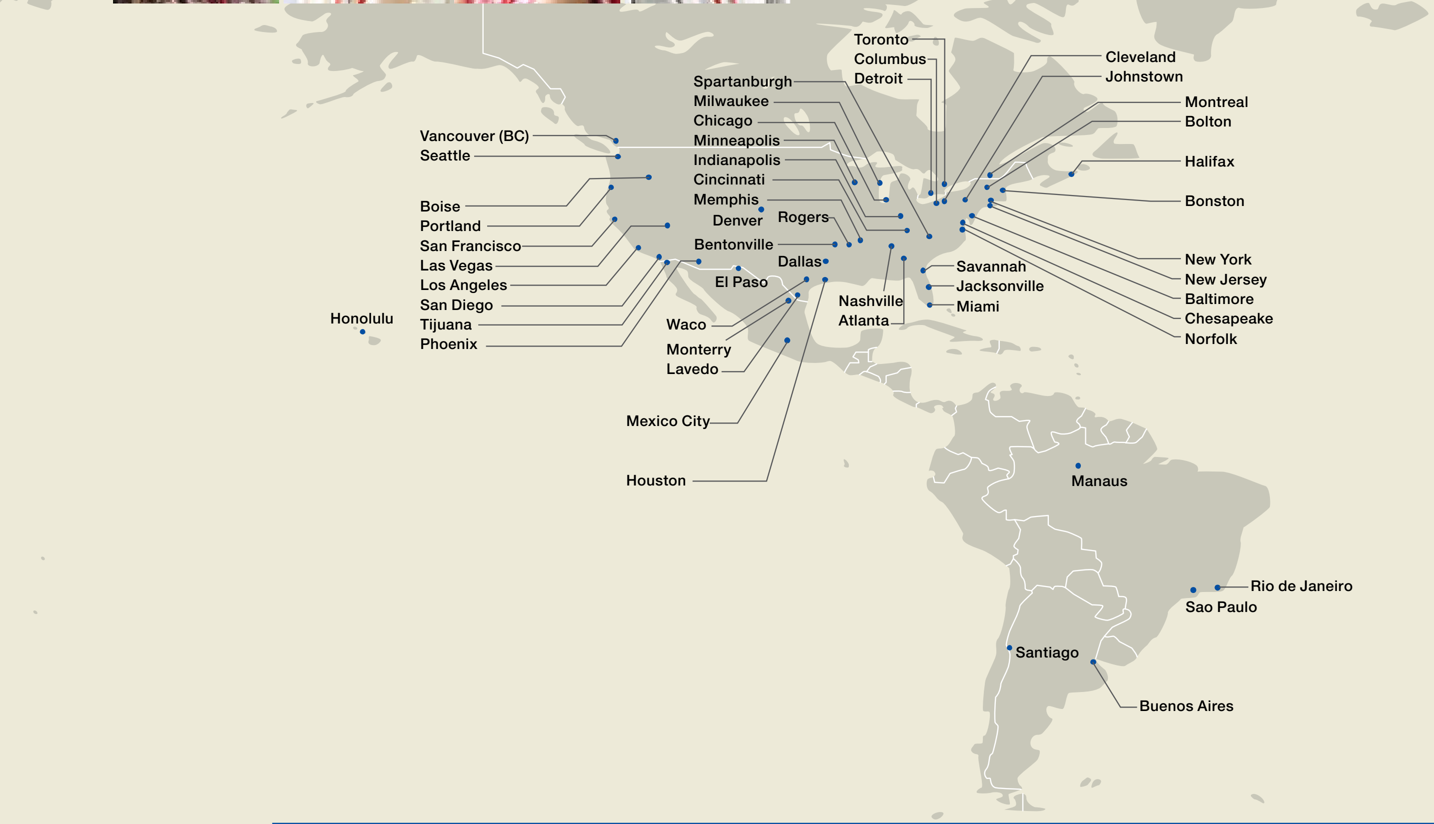
27 Singapore Truck Freight Station

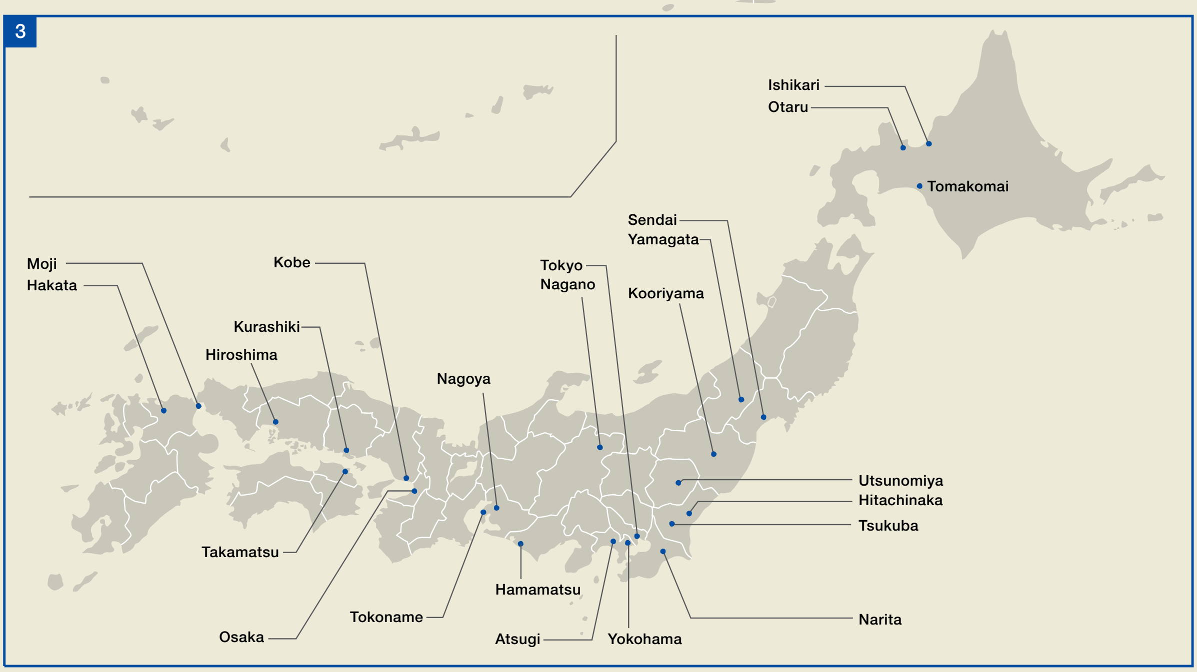
A Growing Presence Of NYK Across The World



A GROWING PRESENCE OF NYK ACROSS THE WORLD





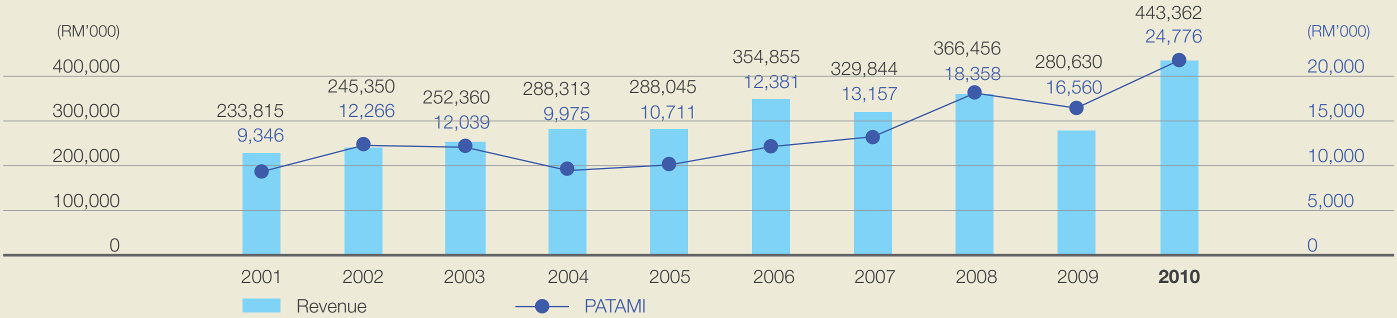


CONSOLIDATED FINANCIAL HIGHLIGHTS

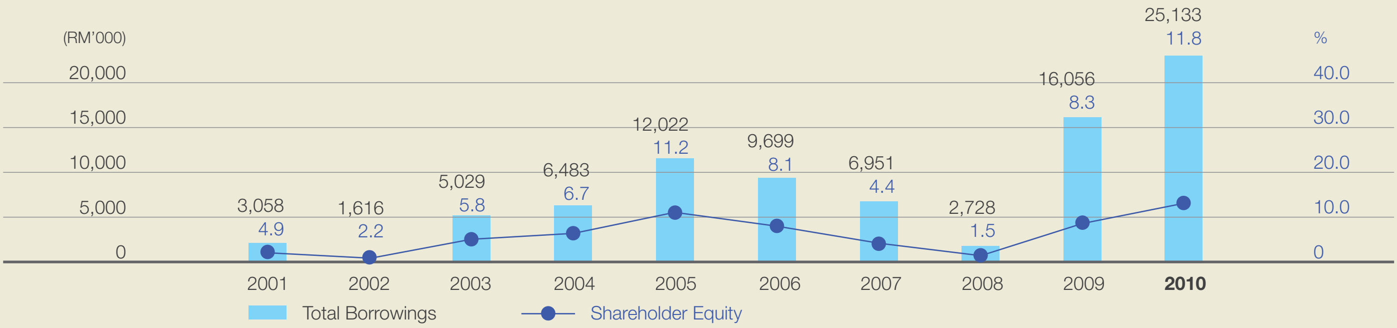
Year ended 31 December	2001	2002	2003	2004
Result of operations (RM'000)				
Revenue	233,815	245,350	252,360	288,313
PBTAMI[1]	13,464	17,561	17,034	14,485
PATAMI[2]	9,346	12,266	12,039	9,975
Capital expenditures	3,336	1,074	21,217	18,009
Financial position at year end (RM'000)				
Share capital (ordinary shares of RM1.00 each)	5,000	5,000	5,000	5,000
Total assets	93,543	105,906	139,648	134,929
Cash and bank balances	17,593	17,589	17,710	27,211
Total liabilities	31,102	31,014	52,717	38,017
Total borrowings	3,058	1,616	5,029	6,483
Shareholder equity	62,441	74,707	86,746	96,722
Amount per share (sen)				
Earnings per share[3]	9.35	12.27	12.04	9.98
Dividend per share (Annual)[4]	-	-	-	-
Ratios (%)				
Shareholder equity ratio	66.8	70.5	62.1	71.7
Return on equity	15.0	16.4	13.9	10.3
Return on assets	10.0	11.6	8.6	7.4
Current ratio	186.4	214.3	199.5	242.9
Gearing ratio	4.9	2.2	5.8	6.7
Dividend payout ratio[5]	-	-	-	-

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.
5 Calculated based on net dividend after withholding tax.

REVENUE AND PATAMI



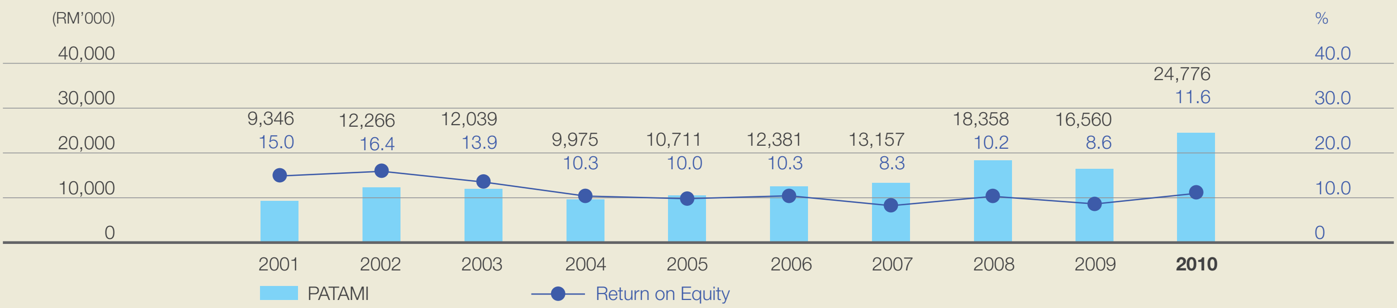
TOTAL BORROWINGS AND GEARING RATIO



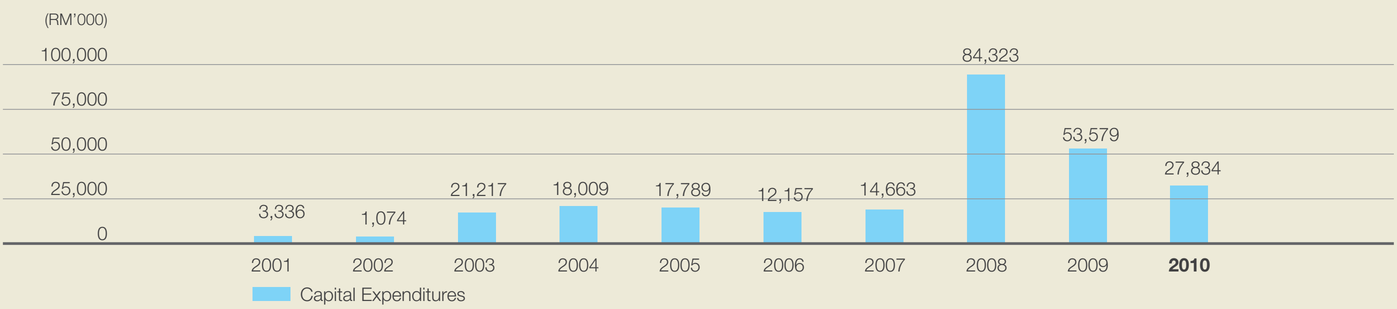
CONSOLIDATED FINANCIAL HIGHLIGHTS

2005	2006	2007	2008	2009	2010
288,045	354,855	329,844	366,456	280,630	**443,362**
14,578	16,953	18,312	22,548	14,160	**32,724**
10,711	12,381	13,157	18,358	16,560	**24,776**
17,789	12,157	14,663	84,323	53,579	**27,834**
45,000	45,000	100,000	100,000	100,000	**100,000**
153,303	170,207	208,476	246,209	263,371	**295,897**
27,206	36,812	62,187	46,434	35,041	**46,927**
45,679	50,161	49,251	65,841	70,724	**81,757**
12,022	9,699	6,951	2,728	16,056	**25,133**
107,432	119,825	158,982	180,097	192,323	**213,763**
10.71	12.38	13.16	18.36	16.56	**24.78**
-	-	-	-	7.00	**9.13**
70.1	70.4	76.3	73.1	73.0	**72.2**
10.0	10.3	8.3	10.2	8.6	**11.6**
7.0	7.3	6.3	7.5	6.3	**8.4**
231.9	229.5	291.8	187.0	208.4	**231.6**
11.2	8.1	4.4	1.5	8.3	**11.8**
-	-	-	-	42.3	**32.3**

PATAMI AND RETURN ON EQUITY



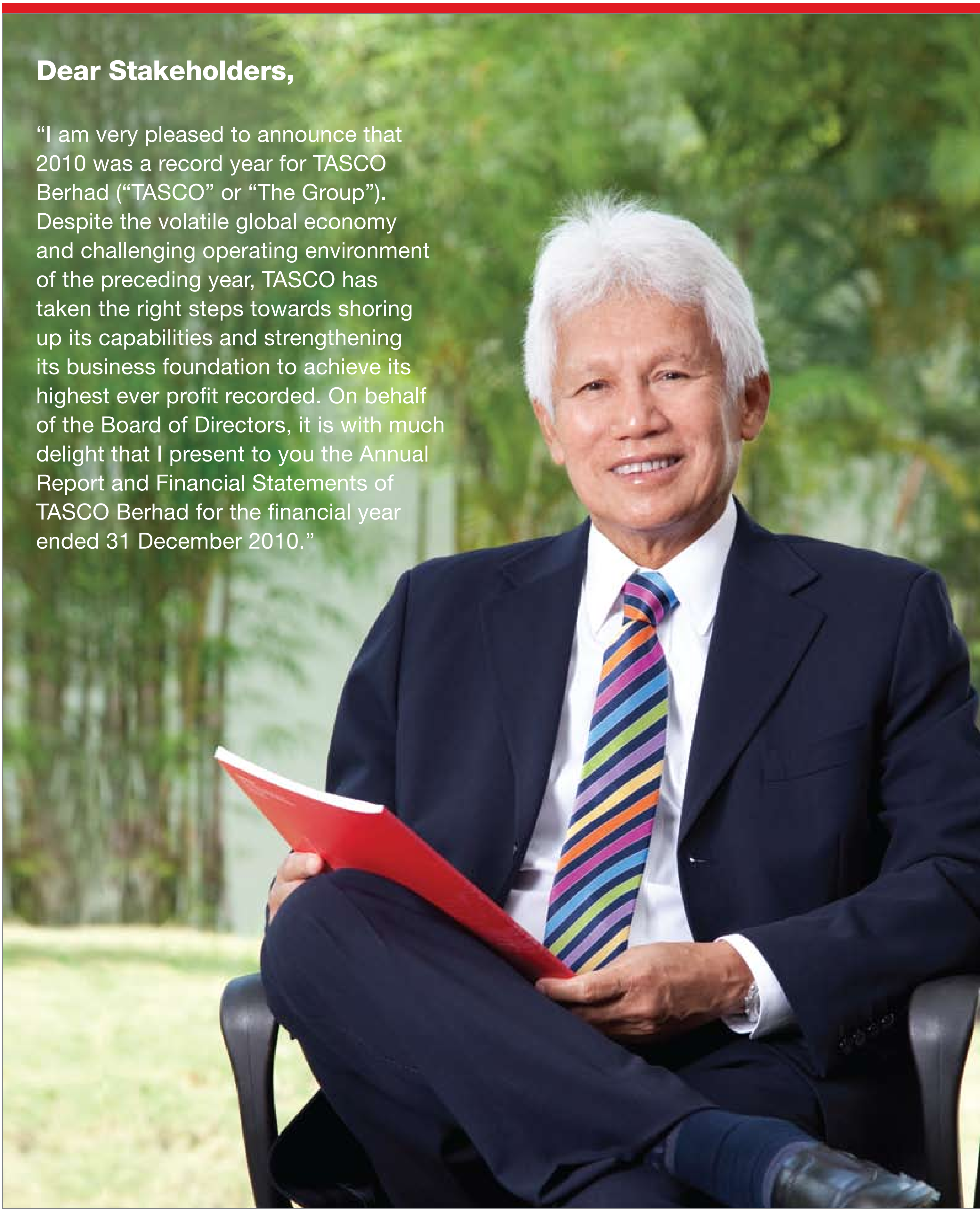
CAPITAL EXPENDITURES

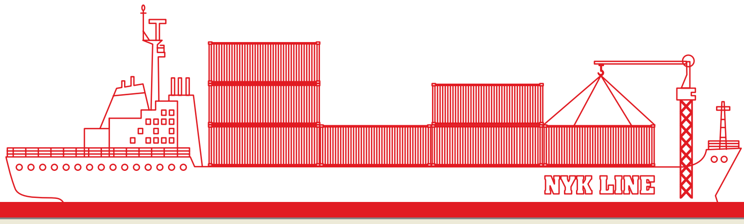


CHAIRMAN'S STATEMENT

Dear Stakeholders,

"I am very pleased to announce that 2010 was a record year for TASCO Berhad ("TASCO" or "The Group"). Despite the volatile global economy and challenging operating environment of the preceding year, TASCO has taken the right steps towards shoring up its capabilities and strengthening its business foundation to achieve its highest ever profit recorded. On behalf of the Board of Directors, it is with much delight that I present to you the Annual Report and Financial Statements of TASCO Berhad for the financial year ended 31 December 2010."





CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

Riding on the year's upswing in overall economic performance both locally and abroad, the Group made company history by turning in a higher revenue of RM443 million, a RM162.8 million or 58% increase over FY 2009's revenue. Our profit after tax ("PAT") is RM24.8 million, which is RM8.2 million or 49% increase over FY 2009's PAT.

Our better overall performance was attributable to both 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). The International Business Solutions segment registered a revenue growth of 50% against the previous financial year, whereas our Domestic Business Solutions segment posted a revenue growth of 64% over the same period. In terms of profitability, both our International and Domestic Business segments posted strong performances and registered double digit growth in pre-tax profits. All-in-all, TASCO produced a very solid and credible performance for the year.

CONTRIBUTING INDUSTRIES

The main industries that contributed to our solid performance in 2010 were the electronic & electrical ("E&E"), automotive, tobacco, telecommunications and fast moving consumer goods ("FMCG") industries. Following on from the US

financial crisis of 2008, the global economic recovery and improving business environment during the year has been extremely beneficial to our Group. The FIFA World Cup 2010 in particular accelerated the demand for E&E products, such as LCD/LED TVs, Bluray disc players and related home entertainment products. The upward trend in demand in this particular segment has had a positive knock-on effect to our bottom line.

The constant and continuous changes in E&E technology has also impacted positively on our performance. TASCO had in late 2009 invested in upgrading our services to further accommodate E&E customers. This proved to be a timely move as demand started to pick up from early 2010: LCD TVs were being phased out to make way for LED TVs, and likewise DVD to Bluray format. In addition, the shift of a number of manufacturers' production lines back to Malaysia, as a cost cutting measure for Japanese E&E manufacturers, further accelerated our growth.

STRATEGIC DEVELOPMENTS

The Group's acquisition of an almost 1,000,000 square foot prime industrial land in Shah Alam in 2009 was in line with our expansion strategy. To be a formidable and cost efficient market player in the logistics line, one of the prerequisites is to have a centrally-run, integrated logistics facility, with optimal warehousing capacity. Our Group is constantly on the look-out for strategic and value acquisitions that would further enhance and expand our business. We are now in the process of constructing two additional warehouses which will be built on our existing land bank at Shah Alam and Bangi. Once completed, the new warehouses will boost our warehouse capacity by approximately 380,000 square feet. Both warehouses are tied to long term contracts, and one is scheduled to be completed by the middle of this year and the other is scheduled for completion by end of 2011. Once operational, it is expected that both warehouses will impact positively on our earnings in the longer-term.

CHAIRMAN'S STATEMENT

THE NYK LOGISTICS MERGER WITH YUSEN LOGISTICS

Our holding company, the Nippon Yusen Kabushiki Kaisha ("NYK") Group currently holds approximately a 65% equity interest in TASCO. NYK is also the holding company of Yusen Logistics Co. Ltd. ("YLK"), one of the leading airfreight forwarders in Japan, and is also the ultimate holding company of NYK Logistics companies globally. YLK itself has a presence in 33 countries worldwide. As part of its global operations rationalisation and re-strategising initiative, NYK has decided to merge both its air and sea logistics businesses worldwide. This business operations merger exercise which begun in November 2009 will progress in stages, and is expected to take two years to completion. The newly merged entities will be re-branded under the Yusen Logistics group. While TASCO's own airfreight and sea freight businesses have always been merged, we nevertheless expect this merger exercise to have a positive impact on our Group. We foresee that the synergistic opportunities/benefits from the merger would have a spill-over effect onto our operations in terms of cost savings, resource sharing and increased efficiency. This should help position us to become more competitive in the market place. Moving forward, TASCO will aggressively market the Yusen Logistics brand for the Group's International Business Solutions.

EXPANSION STRATEGY

We have just implemented our mid-term strategy, which is now more market-focused than ever before. Although we have a very wide and diverse customer base, approximately only 110 out of 2,000 customers use four or more of our eight available services. In the immediate term, the Group will target and shortlist specific customers for further engagement and cross selling of our services.

We are also canvassing for more non-Japanese-based cargo. TASCO's presence in the Japanese-based market is strong, but diversification is imperative for growth and the Group is proud to announce that we have recently secured several major European and American customers.

TASCO also intends to expand our asset-light businesses, namely air freight, NVOCC and truck consolidation services. We will also build on our asset-based businesses, such as warehousing, haulage and trucking, and will continue to invest in and build facilities and infrastructure that meet the demands and expectations of our customers based on long-term contracts.

The sales and marketing organisation of TASCO has also been re-strategised. While sales and marketing was previously segmented to product areas, it is now segmented according to customer's geographical base. This would help us to further solidify our marketing strength as a one-stop, total logistics solutions provider.

CHAIRMAN'S STATEMENT

DIVIDEND PAYMENTS

TASCO's Board of Directors is pleased to recommend a partially tax-exempt first and final gross dividend of 9.13 sen (net: 8.0 sen) in respect of the financial year ended 31 December 2010, subject to shareholders' approval at the forthcoming Annual General Meeting. This represents a payout ratio of 32% of the Group's earnings. This quantum is higher than the dividend of 7 sen declared for the financial year ending 31 December 2009, in view of our better overall performance in 2010.

CORPORATE SOCIAL RESPONSIBILITY

As in previous years, TASCO remains ever committed to our corporate social responsibility programmes. The Group's philosophy is to balance out its incisive financial performance with meaningful and pragmatic corporate social responsibility initiatives. Amongst the initiatives carried out during the year were campaigns focusing on workplace safety and defensive driving techniques, all with the aim of preventing human injuries and accidents. This is TASCO's way of giving back, and we strive to remain relevant not only to our customers and stakeholders, but to our society as well. Our initiatives are fully about making a difference for everyone.

2011 OUTLOOK

As the local and world economy continues to gain upward traction, the Group performed better than expected in the first quarter of 2011, surpassing even Q1 2010's performance, which was our record year. Barring exceptional forces beyond our control, the Group is largely confident that 2011 will be another good year for us, due in part to the high volume of cargo passing through the Group's new integrated facilities and a higher level of engagement with our customer base. We remain focused on the E&E, automotive, tobacco, telecommunications and FMCG industries for 2011, while remaining eagle-eyed on opportunities for growth in other industries as well. However, having said that, the nature of our business is very much dependent on the health and vibrancy of the local manufacturing sectors and international trade. Moving forward, we would take the necessary precautions and considerations of the risks inherent with the logistics business, and undertake all the necessary measures to mitigate these risks, while maximising our operational efficiencies and growing the business through our enhanced customer service efforts, cutting edge logistics solutions and extensive logistics infrastructure.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to place on record our Group's appreciation to Mr. Tan Hock Huat and Tuan Haji Ahmad bin Ismail for their invaluable contributions throughout their tenure on the Board. Both have served as directors from October 2007 and March 2007 respectively until February 2011.

Taking this opportunity, I would like to welcome Mr. Tan Kim Yong and Mr. Lim Jew Kiat as new members of the Board. I believe with their vast experience, TASCO will scale to even greater heights in the years to come.

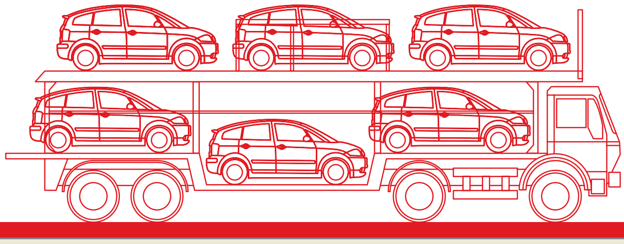
Our utmost gratitude and appreciation also to our valued customers, vendors, business partners, investors and all the other stakeholders for their support, without which we would not have gotten to where we are today. We sincerely thank them and look forward to their continuing support in the coming years.

Last but not least, I would also like to convey my deepest respect and appreciation to the TASCO management team and employees for their diligence, commitment, dedication and untiring efforts in making our success possible. Thank you.

Tan Sri Asmat Bin Kamaludin
Chairman

FROM OUR GROUP MANAGING DIRECTOR

"Our focus has never been sharper. We know what needs to be done to leverage on our strengths and overcome any obstacles. 2010 proves that TASCO has top-notch logistics solutions and going forward, we will continue to serve our customers even better."



FROM OUR GROUP MANAGING DIRECTOR

Q1

HOW DID TASCO FARE AS A WHOLE OVER THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 AS THE GLOBAL ECONOMY WENT THROUGH ITS SLOW BUT DEFINITE PATH TO RECOVERY?

We did much better than we had expected. Breaking company records for the most profitable year to date is definitely what every company hopes for, and is something which I am definitely proud to announce.

Thanks and applause to the great effort from the Malaysian Government in attracting foreign direct investment into the country as part of the Economic Transformation Programme. Audio and video equipment manufacturers have now set up factories here in Malaysia after having considered all risk factors and the political stability in the country. This in turn has made Malaysia one of the world's top production hubs for LCD TVs.

The two single, largest events in 2010 which impacted TASCO were the FIFA World Cup and Japan Eco-Point sales programme, which accelerated the demand of LCD TVs and other electronic products. We have recorded double digit growth in all our business divisions with increases in exports and imports, while our other related logistics services performed favourably.

Q2

HOW HAS THE GROUP'S STRATEGIC FOCUS ON THE WAREHOUSING SECTOR CONTRIBUTED TO TASCO'S OVERALL PERFORMANCE?

The Shah Alam warehouse was acquired and upgraded in 2009 and that had immediately contributed to the Group's performance in 2010.

Warehousing has played a key role in differentiating ourselves from other players in the market. Our solid approach in identifying warehouses which are strategically located and worthy of investment, has made it possible for us to build a long term working relationship with customers. This has also given us an opportunity to provide our customers with more value added services.

Since TASCO's listing on Bursa Malaysia, we have been aggressively expanding our warehouse space. As of today, TASCO operates approximately 1.6 million square feet of warehouse space throughout the nation, and our warehouses have an overall occupancy rate exceeding 90%. We will employ all these facilities to provide high quality services for high value and volume cargoes, while simultaneously extending other related logistics services. This will further contribute positively to the overall financial performance of the Group.

FROM OUR GROUP MANAGING DIRECTOR

Q3

IS THE DOMESTIC OR INTERNATIONAL BUSINESS MORE IMPORTANT TO TASCO DURING THE YEAR UNDER REVIEW?

"Locally Focused, Globally Dedicated" is our Group's commitment to our customers. Without a doubt, market conditions do vary from time to time, however international and domestic business are equally important to us. We need to balance these well with the aim of serving TASCO's international and domestic customers as well as network businesses. In our medium term business plan, we have strategies to expand our international business and to double our domestic business. Company stability is a given at this juncture and TASCO will focus on improving operational quality and our human resource development.

Q4

WHAT BUSINESS STRATEGIES WILL TASCO EMPLOY TO MAINTAIN POSITIVE GROWTH THROUGH 2011?

TASCO will focus on four major strategies on both the domestic and international businesses to achieve stable growth. Additional logistics services will be offered to existing customer base as part of our business expansion. Asset-light businesses, such as sea freight, air freight and truck consolidation, will also see expansion with minimum investment through TASCO's utilisation of NYK Global Network as well as our existing robust domestic network. TASCO will additionally expand asset-based businesses through the acquisition or construction of strategically located warehouses as part of our business plan to maintain positive growth; and expand non-Japanese-based customers through the setting up of a dedicated sales team, which will be focused on geographical targets as opposed to previously service-based targets.

TASCO BASIC CORE FUNDAMENTALS

The Secrets to Our Success

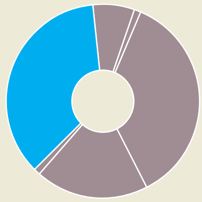
"...are to focus on the 10 Basic Core Fundamentals that we have built and developed throughout the years. We realise the importance of these fundamentals and we will continue to leverage on these core fundamentals to strengthen our market position and to enhance our shareholder's values..."

BUSINESS AT A GLANCE

Revenue Ratio 2010 | Revenue 2010

INTERNATIONAL AIR FREIGHT DIVISION

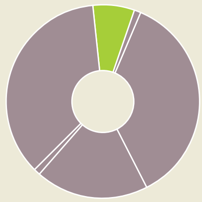
- Air Freight Services



35%
RM153.7 million

INTERNATIONAL SEA FREIGHT DIVISION

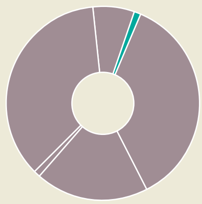
- Sea Freight Services



7%
RM29.7 million

INTERNATIONAL NETWORK SOLUTIONS DIVISION

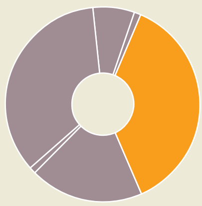
- Buyer Consolidation Services



1%
RM2.3 million

FORWARDING DIVISION

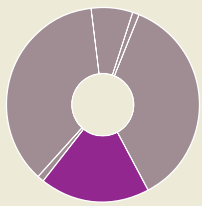
- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services



42%
RM189.1 million

TRUCKING DIVISION

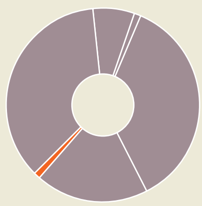
- Domestic Trucking
- Cross Border Trucking



14%
RM65.9 million

AUTO CBU DIVISION

- Car Carrier
- Pre-delivery Inspection



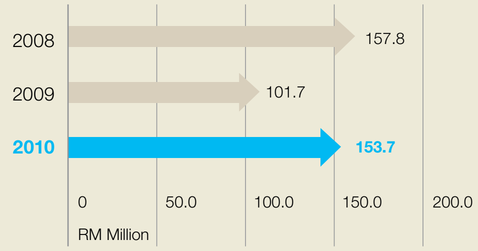
1%
RM2.7 million

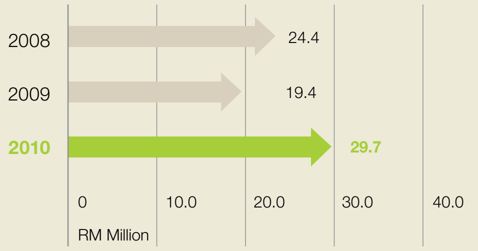
Notes :

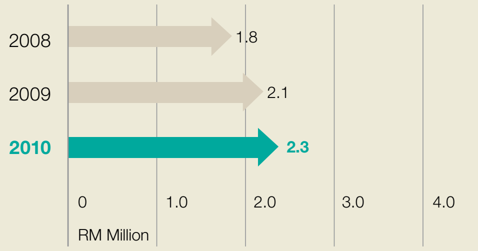
1. **Characteristics of International Business Solutions:**
   Minimum capital investment; Not highly regulated; Requires extensive international networks; Collaboration with foreign agents under a common IT system.
2. **Characteristics of Domestic Business Solutions:**
   High capital investment; Highly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

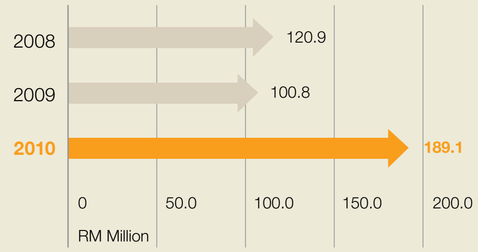
BUSINESS AT A GLANCE

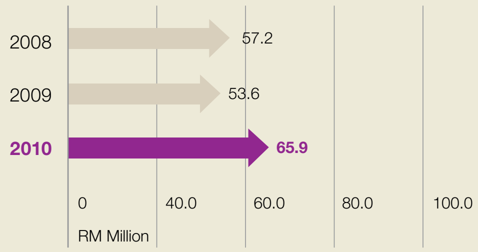
Revenue 2008 - 2010

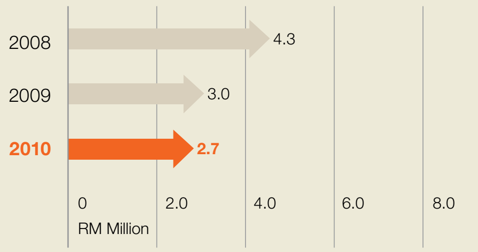




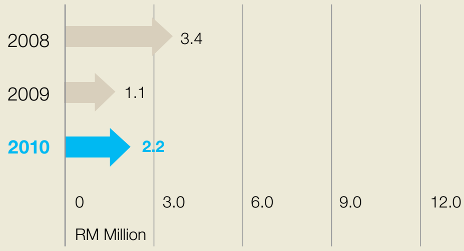


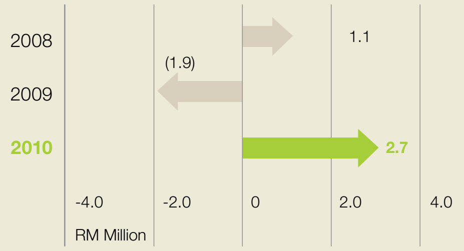


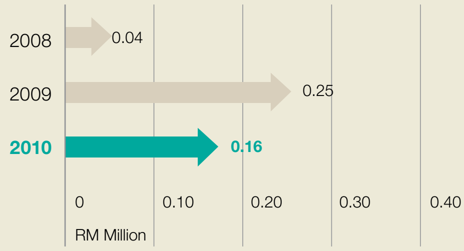


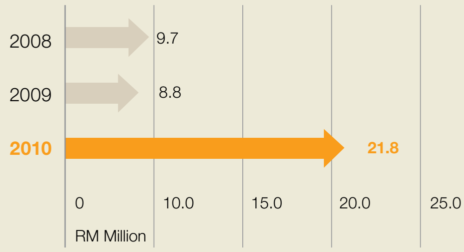


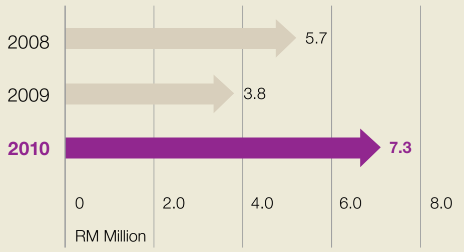
Profit from Operations 2008 - 2010

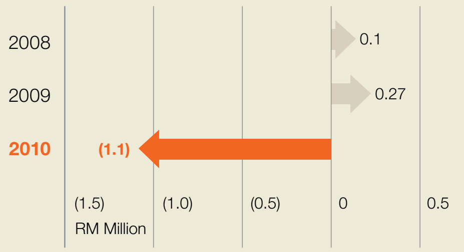




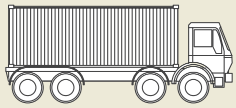




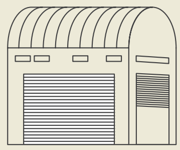




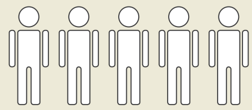
Resource Facilities



>250 units
Prime Movers & Trucks



>150,000m²
Warehouse Space



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

> 30 branches
Domestic Networks

> 300 distribution centres in 33 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

Tan Kim Yong
Deputy Managing Director

Lim Jew Kiat
Deputy Managing 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 **TOMOAKI HANDA**

2 **LEE CHECK POH**

3 **TAN SRI ASMAT BIN KAMALUDIN**

4 **KIMIO MAKI**

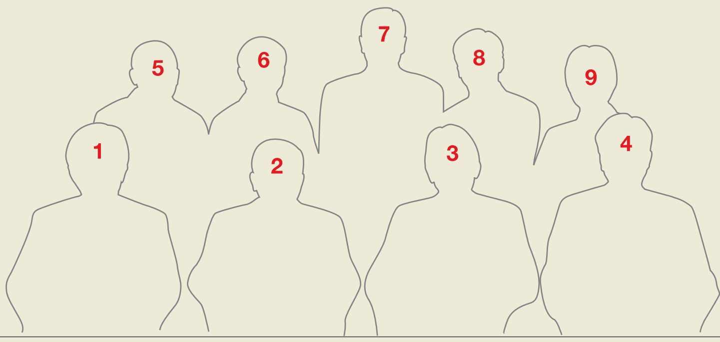
5 **RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**

6 **RAYMOND CHA KAR SIANG**

7 **LIM JEW KIAT**

8 **KWONG HOI MENG**

9 **TAN KIM YONG**



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 67, 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
- FIDE Module 4
- Competency as the Backbone of Transformation
- Implementing Effective Project Strategies: Case Study on the Monorail Project for Mumbai
- Audit Committee Institute Roundtable discussion titled: Going Forward: Risk and Reform - Implications for Audit Committee Oversight
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations

PROFILE OF BOARD OF DIRECTORS

LEE CHECK POH

Non-Independent Group Managing Director
Aged 62, 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
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations

TAN KIM YONG

Non-Independent Deputy Managing Director
Aged 49, Malaysian

Date of Appointment
- 17 February 2011

Qualification
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Fellow member of the Association of Chartered and Certified Accountants, United Kingdom (ACCA)
- Institute of Chartered Secretaries & Administrator (completed professional examinations)

Other Directorship in Public Company
- None

Experience
- Currently appointed as the Deputy Managing Director in charge of Corporate Strategy Group
- Joined the Group in 1996 and appointed as Deputy Managing Director in 2011
- Prior to his joining the Group, he was in the auditing line, handled project accounting for a construction company and held the post of Financial Controller in an engineering company and in a German multinational company

Training
- Mandatory Accreditation Programme

PROFILE OF BOARD OF DIRECTORS

LIM JEW KIAT

Non-Independent Deputy Managing Director

Aged 51, Malaysian

Date of Appointment

- 17 February 2011

Qualification

- Malaysia Certificate of Education

Other Directorship in Public Company

- None

Experience

- Currently appointed as the Deputy Managing Director in charge of Business Strategy Group and Solution Strategy Group
- Joined the Group in 1991 and appointed as Deputy Managing Director in 2011
- Assigned to various business divisions of the Group
- Prior to his joining our Group, he was involved in sales, dealing in courier services, chemicals and computers

Training

- Mandatory Accreditation Programme

TOMOAKI HANDA

Non-Independent Executive Director

Aged 53, 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 YLK
- Joined the Group and appointed as a Director in year 2009
- Assigned by YLK between 1981 and 2009 to handle various branches and business divisions in Japan and seconded to Hong Kong and Shanghai to lead oversea operations

Training

- Independent Directors: Actual versus Perceived Independence
- Views from the Boardroom – Challenges Directors Face
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations

PROFILE OF BOARD OF DIRECTORS

KIMIO MAKI

Non-Independent Executive Director
Aged 52, 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 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

- Independent Directors: Actual versus Perceived Independence
- Views from the Boardroom – Challenges Directors Face
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations

RAYMOND CHA KAR SIANG

Independent Non-Executive Director
Aged 41, 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 as 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

- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties, Liabilities and Expectations

PROFILE OF BOARD OF DIRECTORS

KWONG HOI MENG

Independent Non-Executive Director
Aged 44, Malaysian

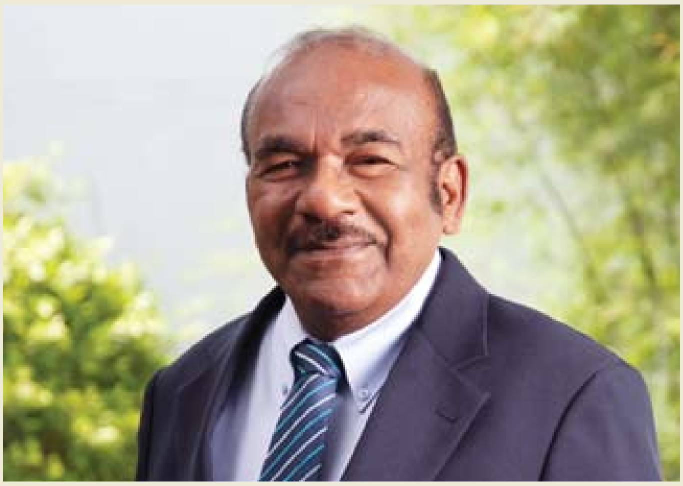
Date of Appointment
- 30 October 2007

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 as 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 an Audit Partner of Messrs Kwong & Wong

Training
- Forum on FRS for SMEs
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties Liabilities and Expectations
- Financial Instruments: Recognition, Measurement, Presentation & Disclosures – FRS 139, FRS 132, FRS 7, Amendments & IFRS 9
- Budget 2011 Proposals & Recent Developments



RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER

Independent Non-Executive Director
Aged 68, 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 as 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
- Engagement versus Activism – Achieving the Right Balance
- The Changing Landscape of Shareholder Activism - The Roles We Play
- Corporate Governance – Steering Capital Market Towards Financial Reporting Excellence
- Independent Directors: Actual versus Perceived Independence
- View from the Boardroom – Challenges Directors Face
- Forum by Public Listed Companies: CG Best Practices
- High Impact Governance Seminar on Corporate Compliance: Focusing on Directors' Duties Liabilities and Expectations

CORPORATE GOVERNANCE STATEMENT

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

The 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 2010, the Board comprises of 9 members, including 3 Independent Non-Executive Directors. The Board had also established the following Board Committees to assist the Board in carrying out its fiduciary duties:

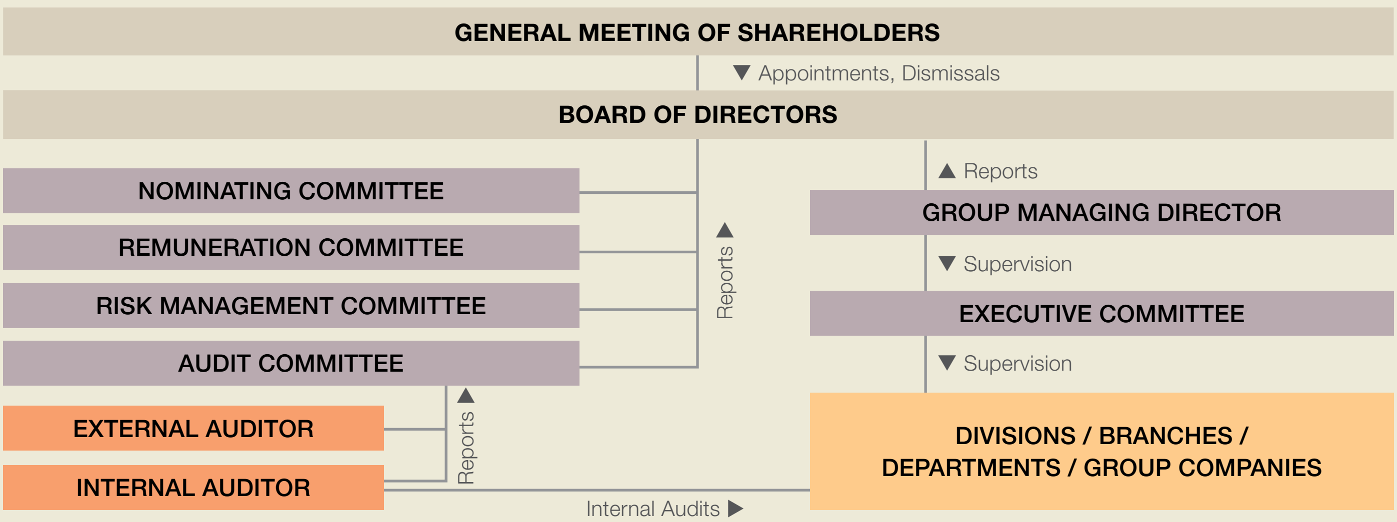
(a) Nominating Committee
(b) Remuneration Committee
(c) Risk Management Committee
(d) Audit Committee

These Board Committees deliberate on particular issues and report their findings and recommendations to the Board.

However, the ultimate responsibility of all decisions lies with the entire Board.

The Executive Committee headed by the Group Managing Director comprises 11 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 STATEMENT

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 2010 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Tan Sri Asmat Bin Kamaludin (Chairman)	Non-Executive	No	4/5
Lee Check Poh (Group Managing Director)	Executive	No	4/5
Ahmad Bin Ismail (Resigned on 17.02.2011)	Executive	No	3/5
Tan Hock Huat (Resigned on 17.02.2011)	Executive	No	4/5
Kimio Maki	Executive	No	5/5
Tomoaki Handa	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

Remarks :
Lim Jew Kiat (Appointed on 17.02.2011)
Tan Kim Yong (Appointed on 17.02.2011)

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 businesses of the Group. The various strategies and objectives identified in the plan are being 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 development and implementation of the succession planning for senior management and investor relations programme for the Group.

The positions of the 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 workings 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 consideration in the deliberations of the various issues and matters affecting the Group.

BOARD OF DIRECTORS (CONT'D)

During the year, 5 board meetings were held and all Directors fulfilled the requirements 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 Directors is readily available. Reports on the performance of the Group are also circulated to the Directors for their perusal and comments. The Board also has a formal schedule of matters reserved to it for deliberations and decisions such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the businesses of the Group, corporate policies and procedures, and corporate plans.

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

The Board is also notified of any corporate announcements to be released to Bursa Malaysia 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 of their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the Group's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from the Directors 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 familiarisation 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.

CORPORATE GOVERNANCE STATEMENT

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 2010 are as follows:

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

The Nominating Committee set up on 6 December 2007, is responsible for recommending the right candidate for 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 comply with the recommendations of the Code.

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

In accordance with the Company's Articles of Association, 1/3 of the existing Directors including the Managing Director are required to retire by rotation at the Annual General Meeting held annually. A Director who is over 70 years old is required to submit himself for re-appointment annually in accordance to Section 129 (6) of the Companies Act, 1965.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the following members and the detail of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 December 2010 were 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 comply 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 the Executive Directors. Reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills.

REMUNERATION COMMITTEE (CONT'D)

The details of the Directors' remuneration for the financial year ended 31 December 2010 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	2	-
RM250,001 to RM300,000	1	-
RM1,300,001 to RM1,350,000	1	-

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

	Fees	Salaries and Other Emoluments	Total
Executive Directors	-	RM2,234,080	RM2,234,080
Non-Executive Directors	RM167,400	-	RM167,400

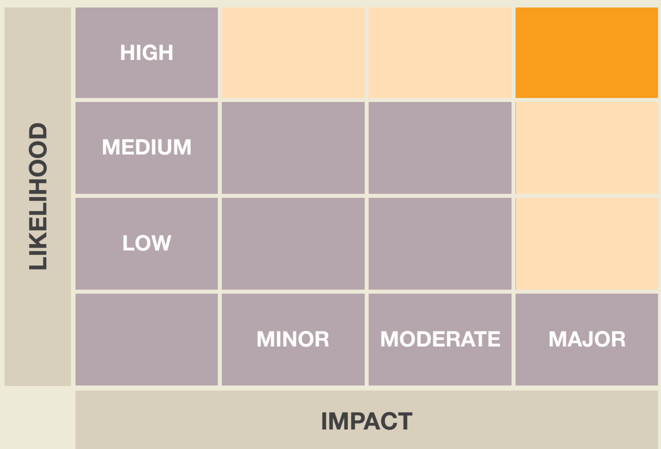
RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises 6 members of senior-level staff who are 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's 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



CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

The Audit Committee comprises the following members and the detail of attendance of each member at the Audit Committee meetings held during the financial year ended 31 December 2010 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 pages 34 to 36 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 monitoring and managing risks and internal controls. Information on the Group's internal controls is presented in the Statement of Internal Control as set out on page 37 and 38 of the Annual Report.

INTERNAL AUDIT FUNCTION

The Internal Audit Function is outsourced to an Audit Firm and reports to the Audit Committee. The Internal Auditor prepares and tables an Annual Internal Audit Plan for the consideration and approval of the Audit Committee. The Internal Auditor adopts a risk-based approach in preparing its audit strategy and annual plan based on the risk profiles of the business operations. The scope of the internal audit is based on the audit plan. The Internal Auditor reports to the Audit Committee on a quarterly basis and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

The Group incurred RM61,317 of internal audit costs during the financial year ended 31 December 2010.

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.

CORPORATE GOVERNANCE STATEMENT

FINANCIAL REPORTING (CONT'D)

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 judgements 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 of 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 responsibility of taking such steps as are reasonably open to them to safeguard the assets of the Group and 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 through timely release of its 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 operation. 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 2010. The members of the Audit Committee and their meeting attendance are presented on page 32 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 shall be non-executive directors;
5. All members of the Audit Committee should be financially literate and at least one of the members of the Audit Committee must:
   (i) be a member of the Malaysian Institute of Accountants; or
   (ii) have at least 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 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 procedures determined by the Board and at the cost of the Group:

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

AUDIT COMMITTEE REPORT

FUNCTIONS AND DUTIES

The functions of the Audit Committee are as follows:

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

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

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

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

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

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

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

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

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

AUDIT COMMITTEE REPORT

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 require 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 deems fit to attend its meetings to assist and to provide pertinent information as necessary.

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

PROCEDURES OF AUDIT COMMITTEE

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

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

SECRETARY

The Company Secretary or any 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 and the management.

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 minimise 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 3 components as described below. The system has been put in place for the financial year under review and up to 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 following:

- 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 9001:2008 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 is 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 Group's policies;
- 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 the 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.

STATEMENT ON INTERNAL CONTROL

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 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 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 a 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 the Risk Management Committee include:

- Ensuring the Company implements a comprehensive system of risk identification, assessment and management;
- Forming an integral part of the Group's structure and design to identify, assess, monitor and manage risks;
- Regularly reviewing the risk factors applicable to the Group; and
- Ensuring that procedures, which effectively and efficiently manage these risks within the particular context of the Group's business strategy and the environment in which the Group operates, are set in place.

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 TRANSACTIONS

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 2010 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 to facilitates the operations of each other.	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2], and NYK Group[3]	Sales : 64,804 Purchases : 59,203
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	Kimio Maki[1], Tomoaki Handa[2] and NYK Group[3]	308
3	Software agreement entered into betweeen TASCO and NYK Group's subsidiaries to grant TASCO the use of computer software for its variouslogistics services.	TASCO/NYK Group	Kimio Maki[1] Tomoaki Handa[2], and NYK Group[3]	263
4	Management services agreements entered into between TASCO and NYK Group's subsidiaries forthe provision of business development, sales, marketing and related activities by NYK Group to TASCO.	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2], and NYK Group[3]	590
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group and NYK Group[3]	Kimio Maki[1], Tomoaki Handa[2], and NYK Group[3]	3,612
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 and also for the usage of TASCO's office by NYK Group's subsidiaries. (a) Rental paid (b) Rental received	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2], and NYK Group[3]	 1,056 233

Notes:

[1] Kimio Maki was seconded to TASCO from NYK and is our Executive Director.

[2] Tomoaki Handa was seconded to TASCO from YLK and is our Executive Director.

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

CALENDAR OF EVENTS

25 JAN 2010

Our Company moved into our new Corporate Head Office at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Seksyen 22, 40300 Shah Alam, Selangor.

19 MAR 2010

Huawei Technologies (M) Sdn Bhd awarded our Company with the Best Cooperation (Logistics) Award for 2009. Our General Manager, Mr Michael Ng received the award on behalf of the Company.

09 JUN 2010

Our Company held its 35th Annual General Meeting in our new Corporate Head office.

25 JUN 2010

Our Company held a farewell dinner at Sri Ayutthaya Restaurant for our long serving staff and advisor, Tuan Haji Abd Rashid who retired after having served 35 years with the Company.

07 OCT 2010

Our Company received an Appreciation Award from the Customs Johor, Human Resource Management and Finance Section for being selected as one of the highest payer of import customs duty/tax to the department.

CALENDAR OF EVENTS

15 OCT 2010

Our Company received an Appreciation Award from Konica Minolta Business Expert Corporation, Japan for successfully setting up their second factory in Melaka.

16 OCT 2010

Our Company was given an award by Hitachi Chemical (M) Sdn Bhd for Long Term Business Partnership and Excellent Support and Services in conjunction with their company's 21st Anniversary for the 21 years of excellent support and services extended to them.

13 -14 NOV 2010

Our Group held its 36th Annual Gathering in Genting Highlands. Lots of fun activities were carried out in the afternoon and a dinner was held in the evening. A total of over 600 staff joined the gathering.

06 DEC 2010

The President of NYK Group, Mr Yasumi Kudo visited our Corporate Head Office. A warm reception was given to Mr Kudo by TASCO and NYK Line (M) Sdn Bhd staff. Mr Kudo gave a short speech to those present and a presentation was made by TASCO and NYK Line (M) Sdn Bhd. Mr Kudo was taken for a tour of our office and warehouse after the presentation.

16 DEC 2010

Our Corporate Head Office organised a year end party on our premises. The theme of the party was "Jolly Ball Night". All participants enjoyed themselves in the games and had a hearty meal. A gift exchange program was held during the event.

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 focus on quality, environment and safety with the emphasis of preventing workplace 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.

Risk management respecting safety and security has always been the main focus of the Group, especially with the development and acquisition of warehouse facilities and acquisition of trucks and trailers under the Group's expansion plan.

SAFETY

The Group has established the Safety Committee to formulate policies, action plans, and budgets for the implementation of road and workplace safety programmes. The following includes some of the activities that have been carried out:

A) **Occupational Safety and Health**

Meetings were held by the Safety Committee to tackle major safety issues in the workplace and audits were conducted to ensure that safety guidelines and policies are followed.

The fire fighting systems and back-up generators of our major warehouses were inspected periodically by external fire contractors to ensure that they are in good operational condition.

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

CORPORATE SOCIAL RESPONSIBILITY

During the year 2010, fire drill exercises were conducted in our Corporate Head Office and Pasir Gudang branch. First Aid and fire fighting training were also conducted in the Northern, Central and Southern region. A total of 75 participants and 89 participants attended the First Aid and fire fighting training respectively.

B) Certification of Forklift Operators

The Safety Committee carried out training programmes for all forklift operators to ensure the best practices of forklift operations in the warehouses are adopted with an ultimate aim to increase productivity and minimise bodily injuries or damage to customers' goods.

Under the programmes, all forklift operators were required to undergo comprehensive trainings sessions, supervised by certified trainers and placed under a probation period of three months. Upon completion of the trainings, the operators' operating skills and theoretical knowledge were tested. The operators who passed the tests were then certified to operate the machines and entitled for monthly special allowances as long as they maintain clean safety records.

C) Safety and Security Training

Safety and security training programmes were conducted at all the branches / warehouses aimed at creating awareness and to promote safety and security among the employees and the customers.

D) Defensive Driving Training

As part of the continuous training programmes, our Safety Committee organised a series of defensive driving training programmes for our truck drivers aimed at achieving zero vehicular accident and thereby reducing bodily injuries, loss of life and/or damage to customers' goods or third party properties. The trainings were conducted by external qualified instructors and all drivers will be trained and retrained to be mindful of road safety awareness at all times. Internal audits were also carried out by the Safety Committee to monitor the compliance of safety and security policies and procedures. More than 300 truck drivers from all branches or regions have undergone the programmes.

E) Schedule Maintenance of Trucks

Our fleets of trucks are subject to scheduled preventive maintenance by our in-house workshop to ensure they are in roadworthy condition, thereby reducing the likelihood of vehicle breakdown or causing road accidents which may result in bodily injuries or loss of human lives or damage to customers' goods or public property.

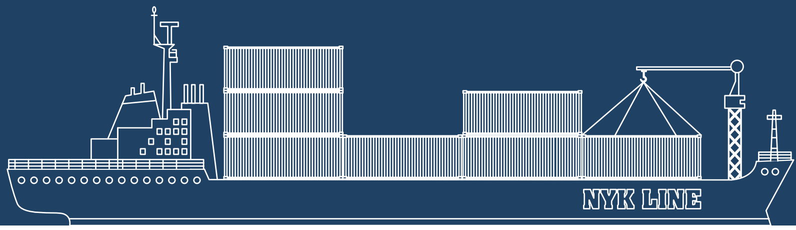
QUALITY AND ENVIRONMENT

In order to provide and maintain quality services to our customers, all our major branches are fully committed in maintaining ISO 9001-2008 certified status.

As a testament to our commitment to provide quality services to our customers, we were presented with 'Long Term Business Partnership & Excellent Support and Services' award from M/s Hitachi Chemical (M) Sdn Bhd and the 'Best Cooperation (Logistics)' award from M/s Huawei Technologies (M) Sdn Bhd during the year.

The Group is also concerned with environmental issues and the following actions are being carried out:

- Recycling of waste is conducted at major stations;
- Maintenance of trucks are scheduled to keep the engines in good condition thereby reducing smoke emission;
- Use of battery operated handling equipment and gas powered forklifts to reduce noise and pollution; and
- Purchase of new trucks that have EURO engine specifications to lower smoke emission levels.



FINANCIAL STATEMENTS

CORPORATE INFORMATION

For the financial year ended 31 December 2010

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 2010

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 2010.

PRINCIPAL ACTIVITIES

The Company is principally engaged as a total logistics solutions provider. The principal activities of the subsidiary companies are indicated in Note 4 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	24,775,855	23,316,479
Non-controlling interest	53,293	-
	24,829,148	23,316,479

DIVIDENDS

During the financial year, the Company paid a tax exempt final dividend of 3 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2009.

The Directors have recommended a final dividend in respect of the financial year ended 31 December 2010 as follows:-

	Gross (sen) Per share	Net (sen) Per share
Tax exempt dividend	4.60	4.60
Franked dividend less 25% tax	4.53	3.40
Total	9.13	8.00

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 57 and 58.

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
Mr Kimio Maki
Mr Raymond Cha Kar Siang
Mr Kwong Hoi Meng
Mr Raippan s/o Yagappan @ Raiappan Peter
Mr Tomoaki Handa
Mr Tan Kim Yong (Appointed on 17 February 2011)
Mr Lim Jew Kiat (Appointed on 17 February 2011)
En Ahmad Bin Ismail (Resigned on 17 February 2011)
Mr Tan Hock Huat (Resigned on 17 February 2011)

DIRECTORS' REPORT (CONT'D)

For the financial year ended 31 December 2010

DIRECTORS (CONT'D)

In accordance with the Article 77 of the Company's Articles of Association, Mr Lee Check Poh and Mr Kwong Hoi Meng retire from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

In accordance with Article 83 of the Company's Articles of Association, Mr Tan Kim Yong and Mr Lim Jew Kiat who were appointed to the Board subsequent to the last Annual General Meeting retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

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

	No. of ordinary shares of RM1 each			
	At 1.1.2010	Bought	Sold	At 31.12.2010
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

DIRECTORS' REPORT (CONT'D)

For the financial year ended 31 December 2010

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 34(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 statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain the action taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts 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.

DIRECTORS' REPORT (CONT'D)
For the financial year ended 31 December 2010

(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.

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 24 February 2011

LEE CHECK POH
Director

KIMIO MAKI
Director

INDEPENDENT AUDITORS' REPORT

To the members of TASCO Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows 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 52 to 107.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of the financial statements that give a true and fair view 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 2010 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statement and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 4 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 made under Section 174 (3) of the Act.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the members of TASCO Berhad

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 on page 107 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

TANG KIN KHEONG
No. 1501/9/11 (J/PH)
Partner

Kuala Lumpur

Date: 24 February 2011

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010

	Note	2010 RM	2009 RM (Restated)	1.1.2009 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	2	160,321,873	147,456,136	128,130,275
Goodwill	3	864,854	864,854	864,854
Investment in associated company	5	5,632,643	6,105,579	6,429,977
Other investments	6	1,225,104	1,225,104	1,222,504
Total non-current assets		168,044,474	155,651,673	136,647,610
Current assets				
Inventories	7	184,197	55,255	122,823
Trade receivables	8	62,249,362	50,104,856	57,299,624
Other receivables, deposits and prepayments		4,062,009	3,061,200	3,878,929
Amounts owing by related companies	10	9,890,866	6,239,725	-
Amounts owing by associated company		-	-	807,155
Current tax asset		4,539,127	6,217,725	1,018,267
Fixed deposits with a licensed bank	11	32,049,759	19,221,774	30,775,792
Cash and bank balances	12	14,877,275	15,819,233	15,658,357
		127,852,595	100,719,768	109,560,947
Non-current assets classified as held for sale	13	-	6,999,253	-
Total current assets		127,852,595	107,719,021	109,560,947
TOTAL ASSETS		295,897,069	263,370,694	246,208,557

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2010

	Note	2010 RM	2009 RM (Restated)	1.1.2009 RM (Restated)
EQUITY AND LIABILITIES				
Equity				
Share capital	14	100,000,000	100,000,000	100,000,000
Share premium	15	801,317	801,317	801,317
Revaluation reserve	16	1,400,591	1,400,591	1,400,591
Hedge reserve	16	(683,424)	(326,550)	-
Exchange translation reserve	16	3,265	(18,095)	(10,540)
Retained earnings		112,241,684	90,465,829	77,906,104
Equity attributable to owners of the Company		213,763,433	192,323,092	180,097,472
Non-controlling interests		376,778	323,485	269,892
Total equity		214,140,211	192,646,577	180,367,364
Non-current liabilities				
Hire purchase and finance lease liabilities	17	254,120	279,633	750,955
Long term bank loans	18	17,458,494	12,320,000	-
Deferred tax liabilities	19	8,848,911	6,444,196	6,488,212
Total non-current liabilities		26,561,525	19,043,829	7,239,167
Current liabilities				
Trade payables	20	22,280,679	19,694,409	23,965,957
Other payables, deposits and accruals	21	19,517,817	24,905,293	30,547,890
Amount owing to related companies	10	5,280,450	2,660,938	-
Amounts owing to associated company	22	604,313	846,450	1,903,615
Hire purchase and finance lease liabilities	17	420,673	569,312	1,977,542
Bank term loans	18	7,000,000	2,887,470	-
Current tax liabilities		91,401	116,416	207,022
Total current liabilities		55,195,333	51,680,288	58,602,026
Total liabilities		81,756,858	70,724,117	65,841,193
TOTAL EQUITY AND LIABILITIES		295,897,069	263,370,694	246,208,557

Notes to the financial statements are set out on pages 61 to 107
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STATEMENTS OF FINANCIAL POSITION

As at 31 December 2010

	Note	2010 RM	2009 RM (Restated)	1.1.2009 RM (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	2	162,130,002	149,155,921	128,873,858
Investment in subsidiary companies	4	14,262,565	14,262,565	14,262,565
Investment in associated company	5	3,000,000	3,000,000	3,000,000
Other investments	6	1,225,104	1,225,104	1,222,504
Total non-current assets		180,617,671	167,643,590	147,358,927
Current assets				
Trade receivables	8	58,515,604	49,417,234	56,878,623
Other receivables, deposits and prepayments		2,951,139	2,266,374	3,765,694
Amounts owing by subsidiary companies	9	8,309,555	2,131,013	1,365,265
Amounts owing by related companies	10	9,890,866	6,206,380	-
Amounts owing by associated company		-	-	807,155
Current tax asset		4,539,127	6,212,819	1,007,795
Fixed deposits with a licensed bank	11	32,049,759	19,221,774	30,775,792
Cash and bank balances	12	11,284,404	13,879,848	12,615,095
		127,540,454	99,335,442	107,215,419
Non-current assets classified as held for sale	13	-	6,999,253	-
Total current assets		127,540,454	106,334,695	107,215,419
TOTAL ASSETS		308,158,125	273,978,285	254,574,346

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2010

	Note	2010 RM	2009 RM (Restated)	1.1.2009 RM (Restated)
EQUITY AND LIABILITIES				
Equity				
Share capital	14	100,000,000	100,000,000	100,000,000
Share premium	15	801,317	801,317	801,317
Revaluation reserve	16	-	-	-
Hedge reserve	16	(683,424)	(326,550)	-
Exchange translation reserve	16	-	-	-
Retained earnings		90,188,802	69,872,323	58,489,274
Total equity		190,306,695	170,347,090	159,290,591
Non-current liabilities				
Hire purchase and finance lease liabilities	17	254,120	279,633	750,955
Long term bank loans	18	17,458,494	12,320,000	-
Deferred tax liabilities	19	8,443,558	6,000,000	6,000,000
Total non-current liabilities		26,156,172	18,599,633	6,750,955
Current liabilities				
Trade payables	20	19,909,127	19,220,984	23,556,644
Other payables, deposits and accruals	21	16,971,163	24,115,601	29,474,656
Amounts owing to subsidiary companies	9	41,509,532	34,760,655	31,620,343
Amount owing to related companies	10	5,280,450	2,631,090	-
Amounts owing to associated company	22	604,313	846,450	1,903,615
Hire purchase and finance lease liabilities	17	420,673	569,312	1,977,542
Bank term loans	18	7,000,000	2,887,470	-
Current tax liabilities		-	-	-
Total current liabilities		91,695,258	85,031,562	88,532,800
Total liabilities		117,851,430	103,631,195	95,283,755
TOTAL EQUITY AND LIABILITIES		308,158,125	273,978,285	254,574,346

Notes to the financial statements are set out on pages 61 to 107
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STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM	RM	RM	RM
Revenue	23	443,361,999	280,630,497	433,604,169	278,479,453
Cost of sales		(349,340,058)	(216,344,978)	(343,363,824)	(217,569,972)
Gross profit		94,021,941	64,285,519	90,240,345	60,909,481
Other operating income		4,461,183	2,929,898	4,176,447	2,575,955
Administrative and general expense		(65,745,645)	(53,901,977)	(64,385,294)	(52,653,934)
Profit from operations	24	32,737,479	13,313,440	30,031,498	10,831,502
Profit from investing activities	25	414,459	426,539	1,503,046	1,732,844
Share of net profits of associated company		615,652	655,330	-	-
Finance costs	26	(990,065)	(235,967)	(990,065)	(235,967)
Profit before tax		32,777,525	14,159,342	30,544,479	12,328,379
Tax (expense)/income	27	(7,948,377)	2,453,976	(7,228,000)	3,054,670
Profit for the year		24,829,148	16,613,318	23,316,479	15,383,049
Other Comprehensive Income:					
Exchange difference on translation of foreign operation		21,360	(7,555)	-	-
Fair value adjustment on cash flow hedge		(356,874)	(326,550)	(356,874)	(326,550)
Other comprehensive loss for the year, net of tax		(335,514)	(334,105)	(356,874)	(326,550)
Total comprehensive income for the year		24,493,634	16,279,213	22,959,605	15,056,499
Profit attributable to:					
Owners of the Company		24,775,855	16,559,725	23,316,479	15,383,049
Non-controlling interest		53,293	53,593	-	-
		24,829,148	16,613,318	23,316,479	15,383,049
Total comprehensive income attributable to:					
Owners of the Company		24,440,341	16,225,620	22,959,605	15,056,499
Non-controlling interest		53,293	53,593	-	-
		24,493,634	16,279,213	22,959,605	15,056,499
Basic earnings per share attributable to owners of the Company (sen per share)	28	24.78	16.56		

Notes to the financial statements are set out on pages 61 to 107
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

		Attributable to owners of the Company								
		Non distributable					Distributable			
	Note	Share capital RM	Share premium RM	Revaluation reserve RM	Hedge Reserve RM	Exchange translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
Balance at 1 January 2009		100,000,000	801,317	1,400,591	-	(10,540)	77,906,104	180,097,472	269,892	180,367,364
Total comprehensive income for the year		-	-	-	(326,550)	(7,555)	16,559,725	16,225,620	53,593	16,279,213
Dividend paid	29	-	-	-	-	-	(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
Total comprehensive income for the year		-	-	-	(356,874)	21,360	24,775,855	24,440,341	53,293	24,493,634
Dividend paid	29	-	-	-	-	-	(3,000,000)	(3,000,000)	-	(3,000,000)
Balance at 31 December 2010		100,000,000	801,317	1,400,591	(683,424)	3,265	112,241,684	213,763,433	376,778	214,140,211

Notes to the financial statements are set out on pages 61 to 107
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STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Note	← Non distributable		→	Distributable	
	Note	Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 1 January 2009		100,000,000	801,317	-	58,489,274	159,290,591
Total comprehensive income for the year		-	-	(326,550)	15,383,049	15,056,499
Dividend paid	29	-	-	-	(4,000,000)	(4,000,000)
Balance at 31 December 2009		100,000,000	801,317	(326,550)	69,872,323	170,347,090
Total comprehensive income for the year		-	-	(356,874)	23,316,479	22,959,605
Dividend paid	29	-	-	-	(3,000,000)	(3,000,000)
Balance at 31 December 2010		100,000,000	801,317	(683,424)	90,188,802	190,306,695

Notes to the financial statements are set out on pages 61 to 107
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STATEMENTS OF CASH FLOWS

For the year ended 31 December 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		32,777,525	14,159,342	30,544,479	12,328,379
Adjustments for:					
Allowance for doubtful debts		-	1,855,668	-	1,796,671
Depreciation		13,721,946	11,644,038	13,613,231	11,437,480
Gain on disposal of property, plant and equipment		(353,560)	(2,480,280)	(163,500)	(2,451,780)
Gain on disposal of asset held for sale		(639,183)	-	(639,183)	-
Property, plant and equipment written off		1,244,460	123,783	1,244,460	123,783
Share of net profits of associated company		(615,652)	(655,330)	-	-
Interest income		(377,002)	(392,913)	(377,002)	(392,913)
Dividend income		(37,457)	(37,016)	(1,126,044)	(1,343,321)
Interest expense		990,065	235,967	990,065	235,967
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		46,711,142	24,372,893	44,086,506	21,653,900
Changes in current assets		(15,831,693)	71,677	(17,955,814)	166,848
Changes in current liabilities		9,459,590	(2,153,959)	9,724,795	(1,952,188)
Cash generated from operations		40,339,039	22,290,611	35,855,487	19,868,560
Tax paid		(3,880,715)	(2,870,485)	(3,101,386)	(1,814,158)
Net cash from operating activities		36,458,324	19,420,126	32,754,101	18,054,402
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	30	(38,414,188)	(59,361,502)	(38,162,646)	(60,033,502)
Proceeds from disposal of property, plant and equipment	31	353,560	17,967,900	163,500	17,939,400
Proceeds from disposal of asset held for sales	32	6,000,000	-	6,000,000	-
Proceeds from disposal of other investment		-	4,010	-	4,010
Purchase of other investments		-	(10,000)	-	(10,000)
Repayment from/(Advances to) subsidiary companies		-	-	(601,761)	110,418
Repayment from an associated company		-	805,555	-	805,555
Interest received		377,002	392,913	377,002	392,913
Dividends received from an associated company		-	979,729	-	979,729
Dividends received from other investments		28,092	27,396	28,092	27,396
Net cash used in investing activities		(31,655,534)	(39,193,999)	(32,195,813)	(39,784,081)

STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2010

		Group		Company	
		2010	2009	2010	2009
	Note	RM	RM	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		18,200,000	16,800,000	18,200,000	16,800,000
Repayment of term loan		(6,476,667)	(1,120,000)	(6,476,667)	(1,120,000)
Advances from subsidiary companies		-	-	2,589,449	3,062,098
Repayment to an associated company		-	(1,057,165)	-	(1,057,165)
Payment of hire purchase and finance lease liabilities		(648,464)	(2,008,552)	(648,464)	(2,008,552)
Interest paid		(990,065)	(235,967)	(990,065)	(235,967)
Dividend paid		(3,000,000)	(4,000,000)	(3,000,000)	(4,000,000)
Net cash from/(used in) financing activities		7,084,804	8,378,316	9,674,253	11,440,414
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,887,591	(11,395,557)	10,232,541	(10,289,265)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		35,041,007	46,434,149	33,101,622	43,390,887
EFFECT OF EXCHANGE RATE CHANGES		(1,564)	2,415	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD		46,927,034	35,041,007	43,334,163	33,101,622
Represented by:					
Fixed deposits with a licensed bank		32,049,759	19,221,774	32,049,759	19,221,774
Cash and bank balances		14,877,275	15,819,233	11,284,404	13,879,848
		46,927,034	35,041,007	43,334,163	33,101,622

Notes to the financial statements are set out on pages 61 to 107
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

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 ("MASB") 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) The significant accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs, effective from financial periods beginning on or after:

1 July 2009	
FRS 8	Operating Segments
1 January 2010	
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 1, FRS 127 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Financial Instruments Disclosures and Reassessment of Embedded Derivatives
Amendments to FRSs	Improvements to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Adoption of the above standards and the interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 – Financial Instruments : Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosures and Presentation. FRS 7 introduces new disclosures to improve the information about the financial instruments. It requires the disclosures of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) The significant accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs, effective from financial periods beginning on or after: (Cont'd)

FRS 8 - Operating Segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of operating results are the same as the basis of measurement for external reporting.

FRS 101 – Presentation of Financial Statements

The revised FRS 101 requires an entity to present, in statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (comprising the income statement and statement of comprehensive income).

The Group and the Company have elected to present the statement of comprehensive income in one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objective, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

Amendment to FRS 117 – Leases

Prior to the adoption of the *Amendment to FRS 117*, leasehold land that has an indefinite economic life and with title not expected to pass to the lessee at the end of the lease term was classified as operating lease. Upfront payments for the rights to use the land over a predetermined period were accounted for as prepaid lease payments and amortised on a straight-line basis over the remaining period of the lease.

Upon adoption of the *Amendment to FRS 117* in relation to classification of leasehold land, the Group reassessed the classification of leasehold land as finance lease or operating lease at the date the Group adopts the amendments on the basis of information existing at the inception of those leases. The Group has determined that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to property, plant and equipment accordingly. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative figures have been restated. The following are effects to the statement of financial position as at 31 December 2010 arising from the above change in accounting policy:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) The significant accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new/revised FRSs and Amendments to FRSs, effective from financial periods beginning on or after: (Cont'd)

Amendment to FRS 117 – Leases (Cont'd)

GROUP

	2010 RM
Increase / (Decrease)	
Property plant and equipment	37,204,097
Prepaid lease payments	(37,204,097)

The following comparatives have been restated:

Statement of financial position	As previously stated RM	Adjustments RM	As restated RM
31 December 2009			
Property plant and equipment	110,991,778	36,464,358	147,456,136
Prepaid lease payments	36,464,358	(36,464,358)	-
1 January 2009			
Property plant and equipment	107,590,249	20,540,026	128,130,275
Prepaid lease payments	20,540,026	(20,540,026)	-

COMPANY

	2010 RM
Increase / (Decrease)	
Property plant and equipment	37,284,357
Prepaid lease payments	(37,284,357)

The following comparatives have been restated:

Statement of financial position	As previously stated RM	Adjustments RM	As restated RM
31 December 2009			
Property plant and equipment	112,611,303	36,544,618	149,155,921
Prepaid lease payments	36,544,618	(36,544,618)	-
1 January 2009			
Property plant and equipment	108,285,040	20,588,818	128,873,858
Prepaid lease payments	20,588,818	(20,588,818)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

The Group 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 124	Related Party Disclosures	1 January 2012
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRSs	Improvements to FRSs (2010)	1 January 2011
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1	Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2	Share-based payment	1 July 2010
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 132	Financial Instruments: Presentation	1 March 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 4	Determining Whether an Agreement contains a Lease	1 January 2011
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18	Transfers of Assets from Customers	1 July 2010
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Amendments to IC Interpretation 13	Customer Loyalty Programmes	1 July 2010
Amendments to IC Interpretation 14	Prepayment of Minimum Funding Requirement	1 July 2011

The Group plan to apply the abovementioned FRSs / Interpretations from the financial period beginning 1 January 2011.

The initial application of the above standards (and its consequential amendments) and interpretations are not expected to have any material impact on the financial statements of the Group and the Company other than expected changes in accounting policies as discussed below:

FRS 3 (revised), *Business Combinations*

FRS 3 (revised) incorporates the following changes that are likely to be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on transaction-by-transaction basis.

FRS 3 (revised), which becomes mandatory for the Group's 2011 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2011 consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) New/Revised FRSs, Issue Committee Interpretation ("IC Interpretations") and Amendments to FRSs that are not yet effective (Cont'd)

FRS 127 (2010), *Consolidated and Separate Financial Statements*

- The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the group and its minority (will be known as non-controlling) interest holders.

- The amendments to FRS 127 require all losses attributable to minority interest to be absorbed by minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest.

The above changes in accounting policies are not expected to have material impact to the Group.

(d) Significant accounting estimates and judgements

The preparation of financial statements in conforming with FRSs requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of asset and liabilities and disclosures of contingent assets and liabilities at the reporting 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 reporting 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 50 years.

The carrying amounts of the Group's and Company's property, plant and equipment as at 31 December 2010 were RM160,321,873 and RM162,130,002 (2009 : RM147,456,136 and RM149,155,921), 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 2010 were RM76,202,237 and RM79,667,164 (2009 : RM59,405,781 and RM60,021,001), respectively.

The allowance for doubtful debts is made based on a review of all outstanding accounts as at the reporting 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(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 2010 was RM864,854 (2009 : RM864,854).

(iv) Income taxes

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

The Group 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 tax assets as at 31 December 2010 were RM4,539,127 and RM4,539,127 (2009: RM6,217,725 and RM6,212,819).

The carrying amounts of the Group's tax liabilities as at 31 December 2010 were RM91,401 (2009 : RM116,416).

(e) Subsidiaries

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

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

On disposal, the difference between the net disposal proceeds and their carrying amounts of the subsidiaries disposed of is taken to the income statement.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Basis of consolidation (Cont'd)

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

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

(g) Associated companies

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

Arising from the adoption to FRS 139, *Financial Instruments: Recognition and Measurement*, with effect from 1 January 2010, financial instruments are categorised and measured using accounting policies as mentioned below. Before 1 January 2010, different accounting policies were applied.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company or its subsidiaries becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Management determines the classification of the financial instruments as set out below upon initial recognition.

<u>Financial assets</u>

<u>Regular way purchase or sale of financial assets</u>

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in income statement.

Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment losses. Known bad debts are written off and allowance is made for impairment loss.

Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in income statement. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from other comprehensive income into income statement. Interest calculated for a debt instrument using the effective interest method is recognised in income statement.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

<u>Financial liabilities</u>

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit and loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the income statement.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition of financial assets and liabilities

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in the income statement.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments (Cont'd)

(iv) Derivative financial instruments and hedging

The Group use derivative financial instruments such as forward currency contracts and currency swap contracts to hedge its risks associated with foreign currency fluctuations.

On initial recognition, these derivative financial instruments are recognised at fair value on the date on which the derivative contracts are entered into, and are subsequently remeasured to their fair value at each reporting date.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward contract is determined by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of swap contracts is determined by reference to available market information. Where the quoted market prices are not available, fair values are based on management's best estimate and are arrived by reference to the market prices of another contract that is substantially similar.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedge item or transaction, the hedging instrument, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected to offset the changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from other comprehensive income into income statement.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expired or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from other comprehensive income into income statement.

(i) Property, plant and equipment

(i) Measurement basis

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Measurement basis (Cont'd)

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 reporting date.

(j) Intangible asset - Goodwill

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

Goodwill arising on the acquisition of subsidiaries is presented separately in the statement of financial position.

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

(k) Other investments

Prior to 1 January 2010, investments in quoted and unquoted shares and transferable corporate club membership are stated at cost less allowance for diminution in value.

Following the adoption of FRS 139, all the investments are categorised as and measured as available-for-sale in accordance with policy Note 1(h)(ii).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Trade and other receivables

Prior to 1 January 2010, receivables were initially recognised at their cost and subsequently, stated at cost less allowance for doubtful debts.

Following the adoption of FRS 139, trade and other receivables are categorized and measured as loans and receivables in accordance with policy Note 1(h)(ii).

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

(o) Impairment

(i) Financial assets

All financial assets (except for financial assets categorized as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

An impairment loss in respect of receivables is recognised in income statement and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's priginal effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(ii) Non-financial assets

The carrying amount of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Impairment of assets (Cont'd)

(ii) Non-financial assets (Cont'd)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are charged to the income statement. Impairment losses recognised in respect of cash-generating units are allocated to first reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rate basis.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risks specific to the asset.

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

(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) Liabilities

Prior to 1 January 2010, payables are measured initially and subsequently at cost.

Following the adoption of FRS 139, payables are categorised and measured as financial liabilities in accordance with policy Note 1(h)(ii)

(r) Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(s) Income recognition

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Foreign currencies

(i) Functional currency

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

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

(ii) Transactions and balances in foreign currencies

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

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

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

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

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

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

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any corresponding exchange gain or loss is recognised directly in other comprehensive income. 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 reporting 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 other comprehensive income. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in the income statement as part of the gain or loss on disposal.

(u) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Leases (Cont'd)

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

(v) 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.

(w) Borrowing costs

Before 1 January 2010, all borrowing costs were recognised in profit or loss using the effective interest method in the period in which they are incurred.

Following the adoption of FRS 123, Borrowing Costs, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use of sale, are capitalised as part of the cost of those assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) 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 statement of financial position, 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 reporting 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.

(y) 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.

(z) Segment reporting

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

2. PROPERTY, PLANT AND EQUIPMENT

Group
2010

Cost	Freehold land and building RM	Leasehold buildings RM	Leasehold land 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 January									
As previously stated	10,338,877	70,355,170	-	60,492,356	9,046,920	10,853,380	6,640,818	4,759,167	172,486,688
Effects of adopting the Amendment to FRS 117	-	-	37,784,453	-	-	-	-	-	37,784,453
As restated	10,338,877	70,355,170	37,784,453	60,492,356	9,046,920	10,853,380	6,640,818	4,759,167	210,271,141
Additions	2,763,390	187,057	1,248,000	6,743,851	886,747	2,994,644	10,411,321	2,599,304	27,834,314
Disposals	-	-	-	(994,000)	(199,800)	-	-	-	(1,193,800)
Write-offs	-	(1,310,780)	-	-	-	(2,070)	-	-	(1,312,850)
Reclassification	2,599,304	-	-	-	-	-	4,759,167	(7,358,471)	-
Exchange differences	-	-	-	-	-	(845)	(2,055)	-	(2,900)
At 31 December	15,701,571	69,231,447	39,032,453	66,242,207	9,733,867	13,845,109	21,809,251	-	235,595,905
Accumulated depreciation									
At 1 January									
As previously stated	215,556	15,221,310	-	31,826,346	6,284,919	5,148,381	2,798,398	-	61,494,910
Effects of adopting the Amendment to FRS 117	-	-	1,320,095	-	-	-	-	-	1,320,095
As restated	215,556	15,221,310	1,320,095	31,826,346	6,284,919	5,148,381	2,798,398	-	62,815,005
Charge for the year	139,264	1,223,796	508,261	7,914,068	1,003,729	1,318,153	1,614,675	-	13,721,946
Disposals	-	-	-	(994,000)	(199,800)	-	-	-	(1,193,800)
Write-offs	-	(67,724)	-	-	-	(666)	-	-	(68,390)
Exchange differences	-	-	-	-	-	(344)	(385)	-	(729)
At 31 December	354,820	16,377,382	1,828,356	38,746,414	7,088,848	6,465,524	4,412,688	-	75,274,032
Net carrying amount at 31 December	15,346,751	52,854,065	37,204,097	27,495,793	2,645,019	7,379,585	17,396,563	-	160,321,873

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

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

Group
2009

Cost	Freehold land and building RM	Leasehold buildings RM	Leasehold land 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 January									
As previously stated	26,706,981	50,463,386	-	60,880,542	8,443,169	10,691,727	6,162,116	-	163,347,921
Effects of adopting the Amendment to FRS 117	-	-	21,535,271	-	-	-	-	-	21,535,271
As restated	26,706,981	50,463,386	21,535,271	60,880,542	8,443,169	10,691,727	6,162,116	-	184,883,192
Additions	-	25,396,234	17,863,248	2,079,375	605,150	1,408,214	1,467,812	4,759,167	53,579,200
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)	(1,614,066)	-	-	-	-	-	(7,118,516)
At 31 December	10,338,877	70,355,170	37,784,453	60,492,356	9,046,920	10,853,380	6,640,818	4,759,167	210,271,141
Accumulated Depreciation									
At 1 January									
As previously stated	1,866,220	14,540,810	-	26,906,966	5,390,334	4,407,968	2,645,374	-	55,757,672
Effects of adopting the Amendment to FRS 117	-	-	995,245	-	-	-	-	-	995,245
As restated	1,866,220	14,540,810	995,245	26,906,966	5,390,334	4,407,968	2,645,374	-	56,752,917
Charge for the year	324,302	799,763	324,850	7,369,704	895,984	1,258,647	670,788	-	11,644,038
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 December	215,556	15,221,310	1,320,095	31,826,346	6,284,919	5,148,381	2,798,398	-	62,815,005
Net carrying amount at 31 December	10,123,321	55,133,860	36,464,358	28,666,010	2,762,001	5,704,999	3,842,420	4,759,167	147,456,136

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

Company
2010

Cost	Freehold land and building RM	Leasehold buildings RM	Leasehold land 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 January									
As previously stated	10,300,306	56,371,506	-	54,643,223	9,040,290	10,810,885	6,449,137	4,759,167	152,374,514
Effects of adopting the Amendment to FRS 117	-	-	37,177,287	-	-	-	-	-	37,177,287
As restated	10,300,306	56,371,506	37,177,287	54,643,223	9,040,290	10,810,885	6,449,137	4,759,167	189,551,801
Additions	2,763,390	187,058	1,248,000	6,743,851	884,200	2,994,647	10,411,322	2,599,304	27,831,772
Disposals	-	-	-	(403,747)	(199,800)	-	-	-	(603,547)
Write-offs	-	(1,310,780)	-	-	-	(2,070)	-	-	(1,312,850)
Reclassification	2,599,304	-	-	-	-	-	4,759,167	(7,358,471)	-
At 31 December	15,663,000	55,247,784	38,425,287	60,983,327	9,724,690	13,803,462	21,619,626	-	215,467,176
Accumulated Depreciation									
At 1 January	176,985	839,880	-	24,618,219	6,278,290	5,128,214	2,721,623	-	39,763,211
Effects of adopting the Amendment to FRS 117	-	-	632,669	-	-	-	-	-	632,669
As restated	176,985	839,880	632,669	24,618,219	6,278,290	5,128,214	2,721,623	-	40,395,880
Charge for the year	139,264	1,149,274	508,261	7,902,478	1,003,573	1,314,575	1,595,806	-	13,613,231
Disposals	-	-	-	(403,747)	(199,800)	-	-	-	(603,547)
Write-offs	-	(67,724)	-	-	-	(666)	-	-	(68,390)
At 31 December	316,249	1,921,430	1,140,930	32,116,950	7,082,063	6,442,123	4,317,429	-	53,337,174
Net carrying amount at 31 December	15,346,751	53,326,354	37,284,357	28,866,377	2,642,627	7,361,339	17,302,197	-	162,130,002

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

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

Company
2009

Cost	Freehold land and building RM	Leasehold buildings RM	Leasehold land 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 January									
As previously stated	26,668,410	36,479,722	-	53,841,114	8,436,539	10,649,750	5,971,690	-	142,047,225
Effects of adopting the Amendment to FRS 117	-	-	20,928,105	-	-	-	-	-	20,928,105
As restated	26,668,410	36,479,722	20,928,105	53,841,114	8,436,539	10,649,750	5,971,690	-	162,975,330
Additions	-	25,396,234	17,863,248	2,830,375	605,150	1,408,214	1,467,812	4,759,167	54,330,200
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)	(1,614,066)	-	-	-	-	-	(7,118,516)
At 31 December	10,300,306	56,371,506	37,177,287	54,643,223	9,040,290	10,810,885	6,449,137	4,759,167	189,551,801
Accumulated Depreciation									
At 1 January									
As previously	1,827,649	202,435	-	19,368,119	5,384,128	4,391,920	2,587,935	-	33,762,186
Effects of adopting the Amendment to FRS 117	-	-	339,287	-	-	-	-	-	339,287
As restated	1,827,649	202,435	339,287	19,368,119	5,384,128	4,391,920	2,587,935	-	34,101,473
Charge for the year	324,302	756,708	293,382	7,261,129	895,561	1,254,728	651,670	-	11,437,480
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 December	176,985	839,880	632,669	24,618,219	6,278,290	5,128,214	2,721,623	-	40,395,880
Net carrying amount at 31 December	10,123,321	55,531,626	36,544,618	30,025,004	2,762,000	5,682,671	3,727,514	4,759,167	149,155,921

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

2. 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	
	2010	**2009**
	RM	**RM**
Motor vehicles	1,279,630	7,186,409
Plant and machinery	169,257	453,349
Office equipment	-	5,885
	1,448,887	7,645,643

3. GOODWILL

	Group	
	2010	**2009**
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	
	2010	**2009**
	RM	**RM**
Trucking division	864,854	864,854

Recoverable amounts based on value in use

The recoverable amount is determined based on value-in-use calculation using cash flow projection based on financial budget 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%	42.65%
Growth rate	5.00%	5.00%
Discount rate	6.45%	6.45%
Risk free rate	6.00%	6.00%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

3. GOODWILL (CONT'D)

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.

4. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2010 RM	2009 RM
Unquoted shares at cost	14,262,565	14,262,565

The subsidiary companies are as follows:

	Equity interest 2010 %	2009 %	Country of incorporation	Principal activities
Baik Sepakat Sdn Bhd	100	100	Malaysia	Truck rental and insurance agency services
Tunas Cergas Logistik Sdn Bhd	100	100	Malaysia	Truck rental, in-house truck repair and maintenance and the provision of other related logistics services
Emulsi Teknik Sdn Bhd	100	100	Malaysia	Truck rental
* Trans-Asia Shipping Pte Ltd	100	100	Singapore	Customs broking, handling agency and freight fowarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Warehouse rental and trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Inactive

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

4. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interest 2010 %	Equity interest 2009 %	Country of incorporation	Principal activities
Tasco Express Sdn Bhd	100	100	Malaysia	Dormant
Omega Saujana Sdn Bhd	51	51	Malaysia	Freight forwarding services
Piala Kristal (M) Sdn Bhd	51	51	Malaysia	Freight forwarding services

* *Audited by Mazars Singapore*

5. INVESTMENT IN ASSOCIATED COMPANY

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 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	2,632,643	3,105,579	-	-
	5,632,643	6,105,579	3,000,000	3,000,000

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

	Equity interest 2010 %	Equity interest 2009 %	Principal activities
* 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:

	2010 RM	2009 RM
Assets and liabilities		
Total assets	13,758,712	14,766,597
Total liabilities	2,092,711	2,555,443
Results		
Revenue	2,257,200	2,265,900
Profit after tax for the year	1,304,467	1,310,659

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

6. OTHER INVESTMENTS

	Group / Company 2010 RM	Group / Company 2009 RM
Classified as available-for-sale financial assets		
Shares quoted in Malaysia at cost	26,000	26,000
Unquoted shares at cost	367,700	367,700
Transferable corporate club memberships at cost	851,403	851,403
	1,245,103	1,245,103
Diminution in value of unquoted shares	(19,999)	(19,999)
	1,225,104	1,225,104
Market value of shares quoted in Malaysia	16,000	11,400

7. INVENTORIES

Inventories represent parts and consumables at cost.

8. TRADE RECEIVABLES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Gross trade receivables	65,721,982	53,636,473	61,988,224	52,889,854
Less: Allowance for doubtful debts	(3,472,620)	(3,531,617)	(3,472,620)	(3,472,620)
	62,249,362	50,104,856	58,515,604	49,417,234

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	61,268,988	50,440,130	57,589,974	49,761,337
- United States Dollar	2,705,131	2,219,043	2,705,131	2,219,043
- Singapore Dollar	324,697	319,752	269,953	251,926
- Thai Baht	1,139,984	374,366	1,139,984	374,366
- Arab Emirates Dollar	283,182	283,182	283,182	283,182
	65,721,982	53,636,473	61,988,224	52,889,854

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 2010

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2010 RM	2009 RM
Trade accounts	6,680,591	1,103,810
Non-interest bearing advances	1,628,964	1,027,203
	8,309,555	2,131,013

The amounts owing to subsidiary companies comprise:

	Company	
	2010 RM	2009 RM
Trade accounts	3,589,508	1,957,845
Non-interest bearing advances	18,161,524	15,572,075
Unpaid consideration for property, plant and equipment acquired *(see note 30)*	19,758,500	17,230,735
	41,509,532	34,760,655

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

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

10. 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.

The currency exposure profile of amount owing by related companies are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	6,830,378	4,995,507	6,830,378	4,962,162
- United States Dollar	1,921,424	1,208,537	1,921,424	1,208,537
- Singapore Dollar	1,139,064	35,681	1,139,064	35,681
	9,890,866	6,239,725	9,890,866	6,206,380

Amount owing to related companies comprise:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade account	4,948,268	2,660,938	4,948,268	2,631,090
Management fee payable	156,698	-	156,698	-
Consultancy fees payable	175,484	-	175,484	-
	5,280,450	2,660,938	5,280,450	2,631,090

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

10. AMOUNTS OWING BY/TO RELATED COMPANIES (CONT'D)

The currency exposure profile of amount owing to related companies are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	4,948,268	2,660,938	4,948,268	2,631,090
- Singapore Dollar	332,182	-	332,182	-
	5,280,450	2,660,938	5,280,450	2,631,090

11. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the Group's and of the Company's deposits range from 1.80% to 2.60% (2009 : 1.20% to 2.50%) per annum. All the deposits have maturity terms of three months or less.

12. CASH AND BANK BALANCES

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	13,995,312	15,503,822	10,402,441	13,729,851
- United States Dollar	402,147	135,628	402,147	135,628
- Singapore Dollar	478,383	178,350	478,383	12,936
- Thai Baht	1,433	1,433	1,433	1,433
	14,877,275	15,819,233	11,284,404	13,879,848

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The Company received an offer to dispose a leasehold land and building in 2009.

These assets had been classified as held for sale and were presented separately in the 2009 statement of financial position.

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

	Group / Company	
	2010 RM	2009 RM
Assets classified as held for sale:		
Leasehold building		
At cost	-	5,504,450
Accumulated depreciation	-	(119,263)
Net carrying amount	-	5,385,187
Leasehold land		
At cost	-	1,614,066
	-	6,999,253

14. SHARE CAPITAL

	Group / Company 2010 RM	2009 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 2010

14. 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.

15. SHARE PREMIUM

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

16. RESERVES

16.1 Revaluation Reserve

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

16.2 Hedge Reserve

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

16.3 Exchange Translation Reserve

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

17. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group / Company	
	2010 RM	2009 RM
Total future instalments payable	706,449	875,857
Unexpired term charges	(31,656)	(26,912)
Total outstanding principal	674,793	848,945
Future instalments payable		
- not later than one year	441,321	592,672
- later than one year but not later than 5 years	265,128	283,185
Total future instalments payable	706,449	875,857
Outstanding principal		
- not later than one year *(included under current liabilities)*	420,673	569,312
- later than one year but not later than 5 years *(included under non-current liabilities)*	254,120	279,633
Total outstanding principal	674,793	848,945

The effective interest rates of the hire purchase and finance lease liabilities for the Group and for the Company are between 4.54% to 5.88% (2009 : 4.54% to 6.60%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

18. BANK TERM LOANS

	Group / Company	
	2010 RM	2009 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 per annum	10,749,496	15,207,470
RM5 million bank term loan repayable by monthly instalments of RM83,333 each commencing on 8 February 2010 bearing interest at 0.875% above the KLIBOR per annum	3,692,363	-
RM5.2 million bank term loan repayable by monthly instalments of RM86,667 each commencing on 16 March 2010 bearing interest at 0.875% above the KLIBOR per annum	4,023,436	-
RM8 million bank term loan repayable by monthly instalments of RM133,333 each commencing on 22 March 2010 bearing interest at 0.875% above the KLIBOR per annum	5,993,199	-
	24,458,494	15,207,470
The long term bank loans are repayable as follows:		
- not later than one year *(included under current liabilities)*	7,000,000	2,887,470
- later than one year but not later than five years *(included under non-current liabilities)*	17,458,494	12,320,000
	24,458,494	15,207,470

The term loans are denominated in US Dollar and are unsecured.

19. DEFERRED TAX LIABILITIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At beginning of the year	6,444,196	6,488,212	6,000,000	6,000,000
Transfer from/(to) income statement	2,404,715	(44,016)	2,443,558	-
At end of the year	8,848,911	6,444,196	8,443,558	6,000,000

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	8,891,927	6,428,056	8,895,216	6,411,910
- surplus on revaluation of land and buildings	408,642	428,050	-	-
- allowance for doubtful debts	(282,960)	(282,960)	(282,960)	(282,960)
- unpaid qualifying expenditure of hire purchase and finance lease liabilities	(168,698)	(128,950)	(168,698)	(128,950)
	8,848,911	6,444,196	8,443,558	6,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

20. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	21,774,289	15,242,116	19,422,683	14,790,398
- United States Dollar	304,480	1,309,034	304,480	1,309,035
- Thai Baht	13,801	1,134,580	13,801	1,134,580
- Japanese Yen	-	979,588	-	979,588
- Singapore Dollar	188,109	689,873	168,163	668,165
- Euro	-	147,522	-	147,522
- Hong Kong Dollars	-	116,991	-	116,991
- Sterling Pound	-	13,069	-	13,069
- Others	-	61,636	-	61,636
	22,280,679	19,694,409	19,909,127	19,220,984

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.

21. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Unpaid consideration for property, plant and equipment acquired *(see note 30)*	-	12,694,793	-	12,694,793
Other sundry payables, deposits and accruals	15,889,553	11,411,421	13,342,899	10,621,729
Derivative financial liabilities	3,628,264	799,079	3,628,264	799,079
	19,517,817	24,905,293	16,971,163	24,115,601

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
- Ringgit Malaysia	15,889,553	24,071,063	13,342,899	23,316,522
- United States Dollar	3,628,264	834,230	3,628,264	799,079
	19,517,817	24,905,293	16,971,163	24,115,601

22. AMOUNTS OWING TO ASSOCIATED COMPANY

The amount owing to associated company represents trade balance and is expected to be settled within the normal credit periods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

23. REVENUE

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Air freight forwarding	153,663,649	101,746,800	153,663,650	101,746,800
Customs forwarding	77,737,866	42,975,945	77,737,866	42,975,945
Warehousing	83,030,064	40,780,625	82,406,584	40,756,624
Container haulage	28,363,147	17,037,055	22,460,761	17,037,055
Trucking	65,920,191	53,552,313	62,688,225	51,425,270
Sea freight forwarding	29,688,005	19,441,101	29,688,005	19,441,101
Auto logistic services	2,667,238	2,954,953	2,667,238	2,954,953
Buyer consolidation services	2,291,839	2,141,705	2,291,840	2,141,705
	443,361,999	280,630,497	433,604,169	278,479,453

24. PROFIT FROM OPERATIONS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	106,200	107,986	75,000	64,000
- overprovision in prior year	-	(13,800)	-	-
- other services	39,000	5,000	39,000	5,000
Allowance for doubtful debts	-	1,855,668	-	1,796,671
Depreciation	13,721,946	11,644,038	13,613,231	11,437,480
Directors' remuneration				
- fees	167,400	167,400	167,400	167,400
- other emoluments	2,234,080	2,058,358	1,951,089	1,766,232
Property, plant and equipment written off	1,244,460	123,783	1,244,460	123,783
Realised loss on foreign exchange	475,146	127,406	475,146	127,607
Operating lease				
- Minimum lease payments for				
- land and buildings	6,092,019	5,448,779	5,889,676	5,250,829
- trucks	6,215,915	1,855,235	2,181,313	1,391,991
- forklifts	1,235,833	945,058	1,235,833	923,248
- office equipment	679,748	614,649	679,748	614,649
and crediting:				
Allowance for doubtful debts written back	58,997	-	-	-
Exgratia payment received from early termination of tenancy	3,000,000	-	3,000,000	-
Gain on disposal of				
- property, plant and equipment	353,560	2,480,280	163,500	2,451,780
- assets held for sales	639,183	-	639,183	-
Unrealised gain on foreign exchange	-	83,756	-	83,756
Operating lease income from				
- land and buildings	236,065	-	236,065	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

25. PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Gross dividends from				
- an associated company	-	-	1,088,587	1,306,305
- unquoted investments	37,457	37,016	37,457	37,016
Interest income	377,002	392,913	377,002	392,913
Loss on disposal of other investments	-	(3,390)	-	(3,390)
	414,459	426,539	1,503,046	1,732,844

26. FINANCE COSTS

	Group / Company	
	2010 RM	2009 RM
Interest paid and payable on		
- hire purchase	30,568	74,366
- term loans	959,497	161,601
	990,065	235,967

27. TAX EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Malaysian tax based on results for the year				
- current	6,666,202	3,736,278	5,888,124	3,184,123
- deferred	1,807,060	(44,016)	1,845,903	-
	8,473,262	3,692,262	7,734,027	3,184,123
(Over)/Underprovision in prior years				
- current	(1,122,540)	(6,146,238)	(1,103,682)	(6,238,793)
- deferred	597,655	-	597,655	-
	7,948,377	(2,453,976)	7,228,000	(3,054,670)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

27. 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 excluding share of results of associates analysed as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Accounting profit	32,161,873	13,504,012	30,544,479	12,328,379
Taxation at applicable statutory tax rate	8,040,468	3,376,003	7,636,120	3,082,095
Tax effects arising from:				
- non-deductible expenses	1,343,538	619,539	1,320,725	473,978
- non-taxable income	(998,186)	(379,076)	(950,671)	(371,950)
- tax exempt dividend	-	-	(272,147)	-
Originating of deferred tax assets not recognised	66,867	75,796	-	-
Effect of different tax rate in another country	20,575	-	-	-
Overprovision in prior years	(524,885)	(6,146,238)	(506,027)	(6,238,793)
	7,948,377	(2,453,976)	7,228,000	(3,054,670)

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	
	2010 RM	2009 RM	2010 RM	2009 RM
Unabsorbed tax losses	1,506,845	1,239,376	-	-

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.

28. 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 owners of the Company of RM24,775,855 (2009: RM16,559,725) by the number of shares in issue of 100,000,000 (2009 : 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.

29. DIVIDEND

	2010 RM	2009 RM
In respect of the year ended 31 December 2009		
Tax exempt interim dividend of 4 sen per ordinary share of RM1.00	-	4,000,000
Tax exempt final dividend of 3 sen per ordinary share of RM1.00	3,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

29. DIVIDEND (CONT'D)

In respect of the financial year ended 31 December 2010, the directors have recommended a final dividend as follows:

	Gross (sen) Per share	Net (sen) Per share
Tax exempt dividend	4.60	4.60
Franked dividend less 25% tax	4.53	3.40
Total	9.13	8.00

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Aggregate cost of property, plant and equipment acquired	27,834,314	53,579,200	27,831,772	54,330,200
Cost of land swaped	(1,652,366)	-	(1,652,366)	-
Financed via hire purchase and finance lease	(474,312)	(129,000)	(474,312)	(129,000)
Unpaid balance included under other payables, deposits and accruals *(see note 21)*	-	(12,694,793)	-	(12,694,793)
Unpaid balance included under amount owing to subsidiary companies *(see note 9)*	-	-	-	(751,000)
Cash paid in respect of the previous year acquisition	12,706,552	18,606,095	12,457,552	19,278,095
Total cash paid during the financial year	38,414,188	59,361,502	38,162,646	60,033,502

31. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Net carrying amount of property, plant and equipment disposed of	-	15,487,620	-	15,487,620
Gain on disposal	353,560	2,480,280	163,500	2,451,780
Total cash received during the financial year	353,560	17,967,900	163,500	17,939,400

32. PROCEEDS FROM DISPOSAL OF ASSET HELD FOR SALES

	Group / Company 2010 RM	Group / Company 2009 RM
Net carrying amount of asset held for sale disposed of	7,013,183	-
Cost of land swaped	(1,652,366)	-
Gain on disposal	639,183	-
Total cash received during the financial year	6,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

33. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Employee benefits expense	49,462,405	40,813,112	38,665,145	33,011,811

Included in the employee benefits expense are EPF contributions amounting to RM3,170,808 (2009 : RM2,926,400) for the Group and RM2,347,293 (2009 : RM2,296,023) for the Company.

34. RELATED PARTY DISCLOSURES

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

	Transaction value Company		Balance outstanding Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Transactions with subsidiary companies				
Rental of trucks paid and payable to subsidiary companies	483,720	458,728	25,500	-
Labour charges paid and payable to subsidiary companies	10,873,058	7,022,644	704,735	5,549,666
Maintenance charges paid and payable to a subsidiary company	4,299,422	3,795,246	1,294,226	-
Handling fees paid and payable to a subsidiary company	619,935	432,398	-	-
Related logistic services paid to a subsidiary company	6,000	6,000	6,000	-
Related logistics services received and receivable from subsidiary company	5,935,925	-	1,620,136	-
Rental of premises received from a subsidiary company	5,250	4,550	-	-
Rental of trucks received and receivable from a subsidiary company	556,941	607,572	50,631	161,041
Purchase of property, plant and equipment and prepaid lease payment from subsidiary companies	-	751,000	-	17,230,735
Warehouse rental received and receivables from a subsidiary company	558,000	1,116,000	-	279,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

34. RELATED PARTY DISCLOSURES (CONT'D)

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

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM	2010 RM	2009 RM
Transactions with related companies								
Related logistic services received and receivable	64,809,880	34,481,359	64,809,880	34,481,359	9,890,866	6,206,380	9,890,866	6,206,380
Related logistic services paid and payable	58,901,130	29,892,384	58,901,130	29,741,803	1,626,136	2,631,090	1,626,136	2,631,090
Management fee paid and payable	332,768	185,631	332,768	185,631	224,592	-	224,592	-
Consultancy fees paid and payable	519,622	306,062	519,622	175,200	9,374	-	9,374	-
Rental received	233,065	-	233,065	-	-	-	-	-
Transactions with associated companies								
Rental of premises paid	1,128,600	1,127,949	1,128,600	1,127,949	604,313	846,450	604,313	846,450
Transactions with substantial Shareholders								
Related logistic services received and receivable	-	3,583,165	-	3,583,165	-	-	-	-
Related logistic services paid and payable	-	1,918,696	-	1,918,696	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

34. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Directors				
Short-term employee benefits				
- remuneration	2,081,706	2,091,185	1,798,714	1,799,062
Post-employment benefits				
- EPF	152,374	134,570	152,375	134,570
	2,234,080	2,225,755	1,951,089	1,933,632
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	2,172,512	1,198,578	2,172,512	1,198,578
Post-employment benefits				
- EPF	194,649	144,933	194,649	144,933
	2,367,161	1,343,511	2,367,161	1,343,511
Total compensation	4,602,241	3,569,266	4,318,250	3,277,143

35. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases a number of land and buildings and warehouses from its associated company of 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 reporting date but not recognised as liabilities are as follows:

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Not later than one year	2,034,622	1,196,781	1,848,600	900,000
Later than one year but not later than 5 years	3,697,200	3,030,000	3,697,200	3,030,000
	5,731,822	4,226,781	5,545,800	3,930,000

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

36. OTHER COMMITMENTS

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Authorised and contracted for				
- acquisition of property, plant and equipment	1,094,861	5,359,425	1,094,861	5,359,425

37. FINANCIAL INSTRUMENTS

Comparative figures have not been presented for 31 December 2009 by virtue of the exemption given in paragraph 44AA of FRS 7.

(a) Classification of financial instruments

2010 Group	Loans and receivables RM	Available-for-sale RM	Total RM
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,225,104	1,225,104
Trade receivables	62,249,362	-	62,249,362
Other receivables excluding prepayment	2,251,194	-	2,251,194
Amount owing by related companies	9,890,866	-	9,890,866
Fixed deposits with a licensed bank	32,049,759	-	32,049,759
Cash and bank balances	14,877,275	-	14,877,275
Total financial assets	121,318,456	1,225,104	122,543,560

2010 Group	At amortised cost RM
Financial liabilities	
Liabilities as per statement of financial position	
Trade payable	22,280,679
Other payables and accruals and derivatives	19,517,817
Amounts owing to related companies	5,280,450
Amount owing to associated company	604,313
Bank term loan	24,458,494
Hire purchase and finance lease liabilities	674,793
Total financial liabilities	72,816,546

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

2010 Company	Loans and receivables RM	Available-for-sale RM	Total RM
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,225,104	1,225,104
Trade receivables	58,515,604	-	58,515,604
Other receivables excluding prepayment	1,191,003	-	1,191,003
Amount owing by subsidiaries companies	8,309,555	-	8,309,555
Amounts owing by related companies	9,890,866	-	9,890,866
Fixed deposits with a licensed bank	32,049,759	-	32,049,759
Cash and bank balances	11,284,404	-	11,284,404
Total financial assets	121,241,191	1,225,104	122,466,295

2010 Company	At amortised cost RM
Financial liabilities	
Liabilities as per statement of financial position	
Trade payable	19,909,127
Other payables and accruals	16,971,163
Amounts owing to subsidiary companies	41,509,532
Amounts owing to related companies	5,280,450
Amount owing to associated company	604,313
Bank term loan	24,458,494
Hire purchase and finance lease liabilities	674,793
Total financial liabilities	109,407,872

(b) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the financial instruments of the Group and of the Company at the reporting date approximately or at their fair value except for the following:

	Group / Company	
	Carrying amount RM	Fair value RM
2010		
Other investments		
Shares quoted in Malaysia	26,000	16,600
Unquoted shares	367,700	*
Transferable corporate club memberships	851,403	*
Unsecured bank loan	24,458,494	20,830,230

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair value of financial instruments (Cont'd)

	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	14,408,391

* *It is not practical to estimate the fair value 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 of impairment*

The following summarises the methods used in determining the fair value of financial instruments:

Derivatives

Fair values of forward currency contracts and swap contracts have been determined by reference to current forward exchange rates for contracts with similar maturity profiles.

38. 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

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

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 reporting 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.

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

Interest rate risk

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

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, finance lease liabilities and loans and borrowings.

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.

A sensitivity analysis has been performed based on the outstanding floating rate of borrowings of the Group as at 31 December 2010. If interest rates increase or decrease by 50 basis points, with all other variables held constant, the Group's profit after tax would decrease or increase by approximately RM122,300, as a result of higher or lower interest expense on these borrowings.

Credit risk

Credit risk is the risk of loss that may arise 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.

The ageing analysis of receivables at 31 December 2010 which are trade in nature is as follows:

	Group		Company	
	Gross RM	Impairment RM	Gross RM	Impairment RM
Not past due	41,579,637	-	40,609,142	-
Less than 30 days past due	14,302,205	-	11,697,228	-
Between 30 and 90 days past due	4,033,531	-	4,015,390	-
More than 90 days past due	5,806,609	(3,472,620)	5,666,464	(3,472,620)
	65,721,982	(3,472,620)	61,988,224	(3,472,620)
* Amount owing by related companies under current asset	9,890,897	-	9,890,897	-

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group RM	Company RM
At 1 January	3,531,617	3,472,620
Doubtful debts written off	(58,997)	-
At 31 December	3,472,620	3,472,620

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

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

Liquidity and cash flow risks

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

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 to meet its liquidity requirements while ensuring an effective working capital management within the Group.

The table below summarises the maturity profile of the Group and the Company's financial liabilities at 31 December 2010 based on the contractual undiscounted cash flows.

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	22,280,679	-	-	22,280,679
Other payables, deposit and accruals	19,517,817	-	-	19,517,817
Amount owing to related companies	5,280,450	-	-	5,280,450
Amount owing to associated company	604,313	-	-	604,313
Hire purchase and finance lease liabilities	441,321	265,128	-	706,449
Borrowings	7,842,928	18,426,756	-	26,269,684
Total undiscounted financial liabilities	55,967,508	18,691,884	-	74,659,392
Company				
Trade payables	19,909,127	-	-	19,909,127
Other payables, deposit and accruals	16,971,163	-	-	16,971,163
Amount owing to subsidiary companies	41,509,532	-	-	41,509,532
Amount owing to related companies	5,280,450	-	-	5,280,450
Amount owing to associated company	604,313	-	-	604,313
Hire purchase and finance lease liabilities	441,321	265,128	-	706,449
Borrowings	7,842,928	18,426,756	-	26,269,684
Total undiscounted financial liabilities	92,558,834	18,691,884	-	111,250,718

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 December 2010

39. CAPITAL MANAGEMENT

The Group's primary objectives when managing its capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders whilst sustaining future development of the business.

The Group actively and regularly reviews and manages its capital structure with a view to optimizing the debt and equity balance. The Group monitors capital on the basis of total debt to equity ratio. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, increase borrowings or sell assets to reduce debts.

No changes were made in the objectives, policies or processes during the year.

Total debt to equity ratio at 31 December 2010 and 2009 was as follow:

	2010 RM	2009 RM
Share capital	100,000,000	100,000,000
Reserves	113,763,433	92,323,092
Total equity	213,763,433	192,323,092
Hire Purchase liabilities	674,793	848,945
Short term borrowings	7,000,000	2,887,470
Long term borrowings	17,458,494	12,320,000
Total debt	25,133,287	16,056,415
Total debt to equity ratio (times)	0.12	0.08

40. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

(i) International Air Freight Division ("IAFD") - 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

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

2010	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated RM
REVENUE							
External sales	153,663,649	189,131,077	65,920,191	29,688,005	2,667,238	2,291,839	443,361,999
RESULTS							
Segment results	2,257,082	21,792,433	7,274,743	2,665,265	(1,083,203)	161,375	33,067,695
Unallocated corporate expense							(330,216)
Profit from operations							32,737,479
Profit from investing activities							414,459
Share of associated companies' profits							615,652
Finance costs							(990,065)
Profit before tax							32,777,525
Tax expense							(7,948,377)
Profit for the year							24,829,148

40. SEGMENTAL ANALYSIS (CONT'D)

2009	IAFD RM	FD RM	TD RM	ISFD RM	AD RM	INSD RM	Consolidated RM
REVENUE							
External sales	101,746,800	100,793,625	53,552,313	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
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 2010

40. SEGMENTAL ANALYSIS (CONT'D)

(b) Secondary reporting format - geographical segment

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

41. SUBSEQUENT EVENT

Subsequent to year end, the Company awarded contracts with a total value of RM33,200,000 to expand its warehousing capacities at its existing facilities.

42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 24 February 2011 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2010

43. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group as at 31 December 2010, into realised and unrealised profits/losses, pursuant to the directive, is as follow:

	2010 RM	2009 RM
Total retained profits of the Company and its subsidiaries:-		
- Realised	126,327,164	*
- Unrealised	(8,440,268)	*
	117,886,896	*
Total shares of retained profits from associated companies:-		
- Realised	2,632,643	*
- Unrealised	-	*
	120,519,539	*
Less: Consolidation adjustments	(8,277,855)	*
Total group retained profits as per consolidated accounts	112,241,684	*

* *Comparative figures are not required in the first financial of complying with Realised and Unrealised Profits/Losses Disclosure.*

The determination of realised and unrealised profits and losses is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Accordingly, the unrealised retained profits of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these gains or losses are incurred in the ordinary course of business of the Group, and are hence deemed as realised.

The disclosure of realised and unrealised profits/losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be used for any other purposes.

STATEMENT BY DIRECTORS

For the year ended 31 December 2010

In the opinion of the directors, the financial statements set out on pages 52 to 107 have been drawn up:

(a) so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2010 and of their financial performance and cash flows for the year then ended;

(b) in accordance with Financial Reporting Standards and the provisions of the Companies Act 1965.

The information set out in Note 43 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the directors in accordance
with a directors' resolution dated 24 February 2011

LEE CHECK POH Director	KIMIO MAKI Director

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act 1965

I, Tan Kim Yong, being the director primarily responsible for the financial management of TASCO Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 52 to 107 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 24 February 2011)
)
)
) TAN KIM YONG

Before me:
ARSHAD ABDULLAH
W550

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)	Age of Properties	Approximate Date Acquired	Net Book value At 31.12.2010 (RM'000)
1	Shah Alam Lot No. 1A, Persiaran 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	22 years	30 Jun 2009	42,539
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	3 years	25 May 2004	12,812
3	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai, Pulau Pinang	Industrial Land	Penang Prai Logistics Centre and Penang Truck Freight Station	Leasehold 60 years expiring 08.05.2052	Land - 20,611 Built-up - 9,282	19 years	18 Jul 2008	13,858
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	19 years	19 Feb 2008	12,929
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 and Penang Air Freight Station	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	4 years	04 Jun 2008	7,729
6	Alor Gajah Plot 1873 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre and Melaka Truck Freight Station	Leasehold 99 years from the date of registration of title	Land - 11,776 Built-up - 2,683	1 year	01 Apr 2010	5,279
7	Petaling No. 9 Jalan SS8/4 Sungai Way Industrial Free Trade Zone, 47300 Petaling Jaya, Selangor	Industrial Land	Sungai Way Logistics Centre	Freehold	Land - 3,559 Built-up - 1,592	37 years	11 Feb 2008	6,340
8	Kinta Lot No. 21402 Lebuh Perusahaan Klebang 11 Kawasan Perusahaan International IGB 31200 Ipoh Perak	Industrial Land	Ipoh Logistics Centre and Ipoh Truck Freight Station	Freehold	Land - 9,864 Built-up - 1794	3 years	11 Jan 2007	3,728
9	Bandar Baru Bangi No. 19, Jalan P/9A, Kawasan Perusahaan Seksyen 13 Bandar Baru Bangi Selangor	Industrial Land	Bangi Truck Freight Station	Leasehold 99 years expiring 29.09.2086	Land - 465 Built-up - 195	20 years	22 May 1991	191

ANALYSIS OF SHAREHOLDINGS

As at 15 April 2011

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	252	230,700	0.23
1,001 to 10,000 shares	905	4,533,248	4.53
10,001 to 100,000 shares	256	7,566,300	7.57
100,001 to less than 5% of issued shares	65	55,169,700	55.17
5% and above of issued shares	5	32,500,000	32.50
Total	**1,485**	**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 Logistics Co. Ltd	3,000,000	3.00
11.	Yusen Logistics Co. Ltd	3,000,000	3.00
12.	Yusen Logistics 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 Logistics 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 Hooi*	894,500	0.89
26.	Lau Peng Kee @ Low Peng Hooi	880,000	0.88
27.	HLB (Nominees) Tempatan Sdn Bhd *Pledged Securities Account for Bakat Impian Sdn Bhd*	770,800	0.77
28.	Affin (Nominees) Tempatan Sdn Bhd *Pledged Securities Account for Ng Hoe Peng @ Ng Swee Chun*	767,000	0.77
29.	RHB Capital (Nominees) Tempatan Sdn Bhd *Pledged Securities Account for Ong Yoong Nyock*	666,100	0.67
30.	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Yoong Nyock*	624,200	0.62
	Total	**79,402,600**	**79.40**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 15 April 2011

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 Logistics 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. Yusen Logistics (Singapore) Pte Ltd	8,759,941	8.76	33,579,774[1]	33.58
5. Hachiuma Steamship Co. Ltd	4,379,971	4.38	-	-
6. Nippon Yusen Kabushiki Kaisha	4,379,970	4.38	60,589.592[2]	60.59
7. Lee Check Poh	-	-	9,830,438[3]	9.83

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. Lee Check Poh	-	-	9,830,438[3]	9.83
2. Tan Kim Yong	69,900	0.07	-	-
3. Lew Jew Kiat	60,000	0.06	-	-
4. Raymond Cha Kar Siang	11,000	0.01	-	-
5. Kwong Hoi Meng	11,000	0.01	-	-
6. 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, Yusen Logistics Co. Ltd, Yusen Logistics (Singapore) Pte Ltd, Hachiuma Steamship Co. Ltd, Kombinasi Restu (M) Sdn Bhd and Kompas Wira 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 Real Fortune Portfolio Sdn Bhd pursuant to Section 6A of the Act.

Subsidiary and Associated Companies

SUBSIDIARY COMPANIES

			Group Effective Interest %	%	
		Country	**2009**	**2010**	**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 and trading
8.	Precious Fortunes Sdn Bhd	Malaysia	100.00	100.00	Inactive
9.	Trans-Asia Shipping Pte Ltd	Singapore	100.00	100.00	Customs broking, handling agency and freight forwarding services

ASSOCIATED COMPANIES

			Group Effective Interest %	%	
		Country	**2009**	**2010**	**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-Sixth 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, 8 June 2011 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 2010 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the payment of Directors' Fees. **Ordinary Resolution 2**

3. To approve the payment of a tax exempt final dividend of 4.60 sen and franked final dividend of 4.53 sen less 25% tax in respect of the financial year ended 31 December 2010. **Ordinary Resolution 3**

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

   4.1 Lee Check Poh **Ordinary Resolution 4**
   4.2 Kwong Hoi Meng **Ordinary Resolution 5**

5. To re-elect the following Directors who retire pursuant to Article 83 of the Company's Articles of Association:-

   5.1 Tan Kim Yong **Ordinary Resolution 6**
   5.2 Lim Jew Kiat **Ordinary Resolution 7**

6. To re-appoint Messrs Mazars as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 8**

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 9**

   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 16 May 2011 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."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 10**

   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."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a tax exempt final dividend of 4.60 sen and franked final dividend of 4.53 sen less 25% tax in respect of the financial year ended 31 December 2010, if approved by the shareholders, will be paid on 7 July 2011 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 23 June 2011.

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 23 June 2011 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

Selangor Darul Ehsan
Date: 16 May 2011

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 9
   Proposed Renewal of Shareholders' Mandate for Recurrent Transactions

   The Ordinary Resolution 9 proposed under item 7, 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 16 May 2011, which is despatched together with the Company's Annual Report 2010.

   Ordinary Resolution 10
   Authority to Issue Shares

   At last year's Annual General Meeting, mandate was given to Directors to issue and allot 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 10, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

   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)
(Incorporated in Malaysia)

Proxy Form

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

of ____
(Full Address)

being a member/members of **TASCO 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-Sixth 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, 8 June 2011 at 3.00 p.m. and at any adjournment thereof.

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

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

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.
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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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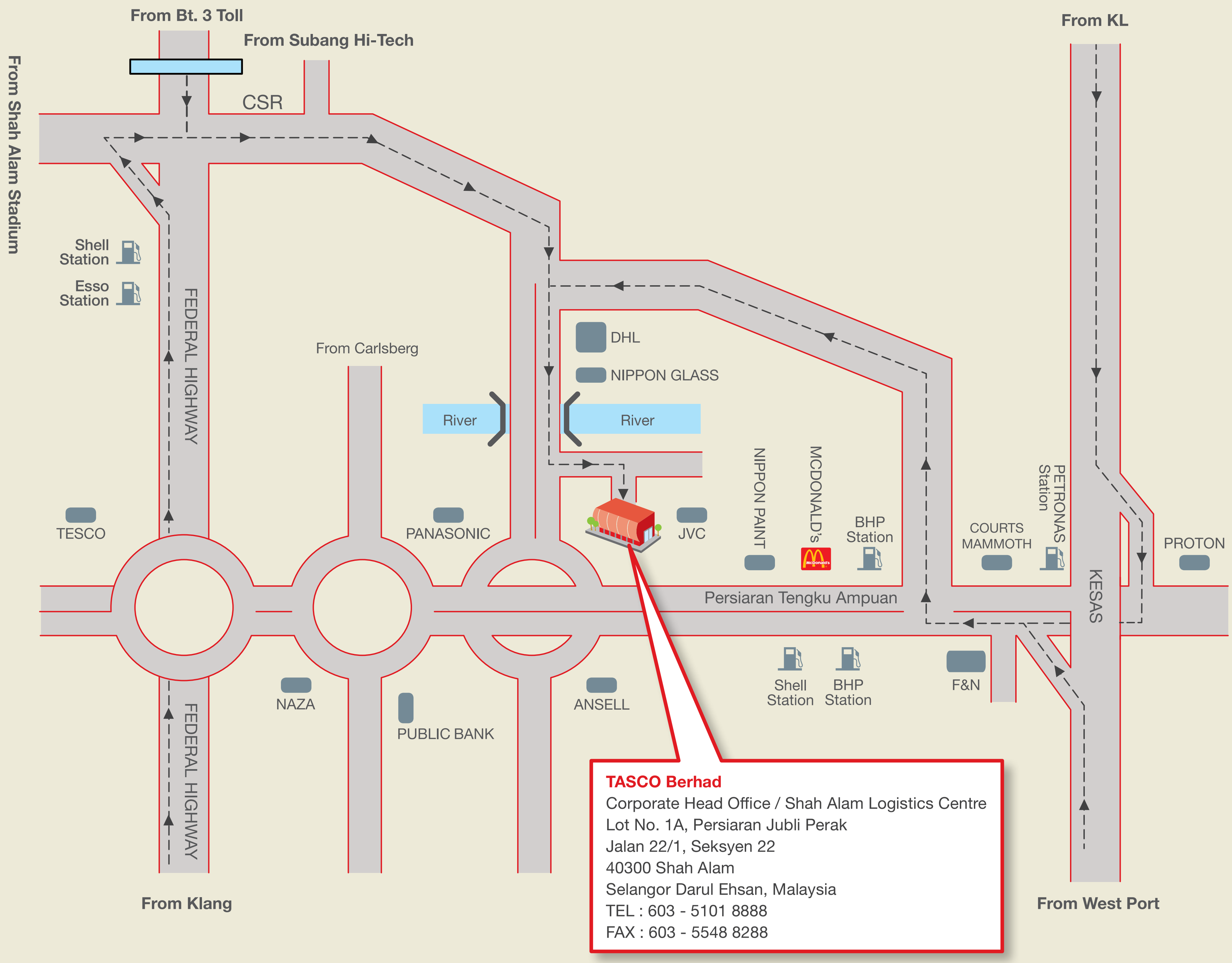

TASCO Berhad
Corporate Head Office / Shah Alam Logistics Centre
Lot No. 1A, Persiaran Jubli Perak
Jalan 22/1, Seksyen 22
40300 Shah Alam
Selangor Darul Ehsan, Malaysia
TEL : 603 - 5101 8888
FAX : 603 - 5548 8288

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