TASCO
NYK GROUP COMPANY

Poland Qatar Vietnam Argentina Australia Bangladesh Brazil Canada China Hong Kong Hungary India Indonesia Italy Japan Korea Malaysia New Zealand Netherlands Norway Philippines Poland Qatar Russia Saudi Arabia Singapore South Africa Sri Lanka Sweden Taiwan Thailand Turkey United Arab Emirates United Kingdom United State of America Vietnam Argentina Australia Bangladesh Brazil Canada China Hong Kong Hungary India Indonesia Italy Japan Korea Malaysia New Zealand

MOVING FORWARD

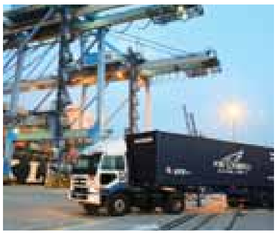
ANNUAL REPORT 2011

Contents

Cautionary Statement With Regards 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 previously 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:

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.

OUR COMPANY PROFILES

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. TASCO is a subsidiary of Yusen Logistics Co. Ltd., which in turn is a subsidiary of Nippon Yusen Kabashiki Kaisha.

TASCO has more than 30 branches and 1,000 employees in Malaysia. It is also affiliated with more than 280 logistics centres and 29,000 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.

CONTRACT LOGISTICS DIVISION

- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services
- Car Carrier
- Pre-delivery Inspection

TRUCKING DIVISION

- Domestic Trucking
- Cross Border Trucking

OUR COMPANY PROFILES

International Logistics Solutions.

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 434 in 2011) and has more than 29,000 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")

- YLK is listed on the Tokyo Stock Exchange and is a subsidiary of NYK;
- YLK has more than 280 logistics centres and 5,000 employees in 36 countries; and
- YLK is one of the leading international air freight forwarders in Japan.
- Pursuant to a corporate re-structuring exercise within the NYK Group, YLK became the immediate holding company of TASCO on 2 April 2012. NYK remain the ultimate holding company of TASCO.

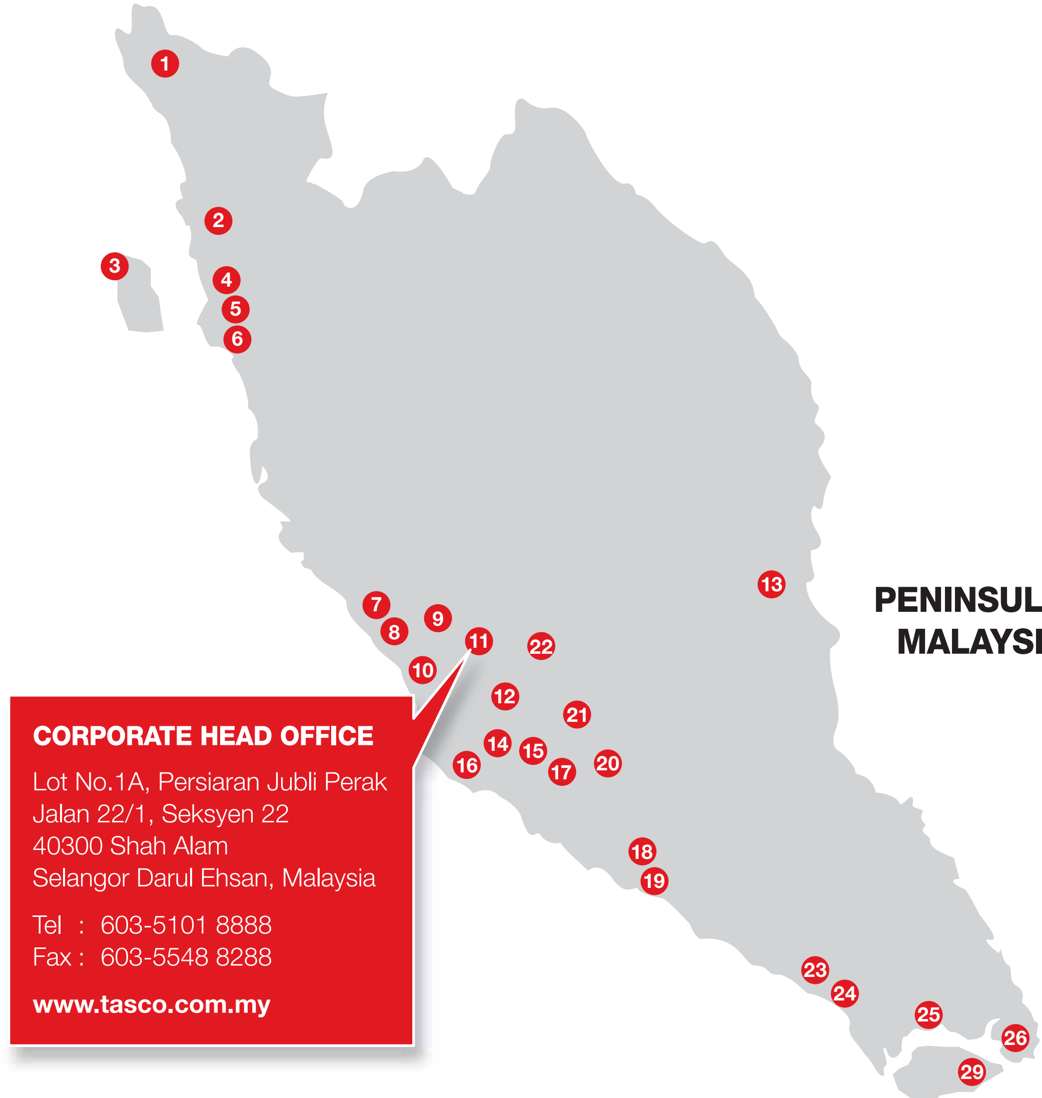
Yusen Logistics

AIR FREIGHT FORWARDING DIVISION
- Air Freight Services

OCEAN FREIGHT FORWARDING DIVISION
- Sea Freight Services

ORIGIN CARGO ORDER & VENDOR MANAGEMENT DIVISION
- Buyer Consolidation Services

DOMESTIC NETWORK



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

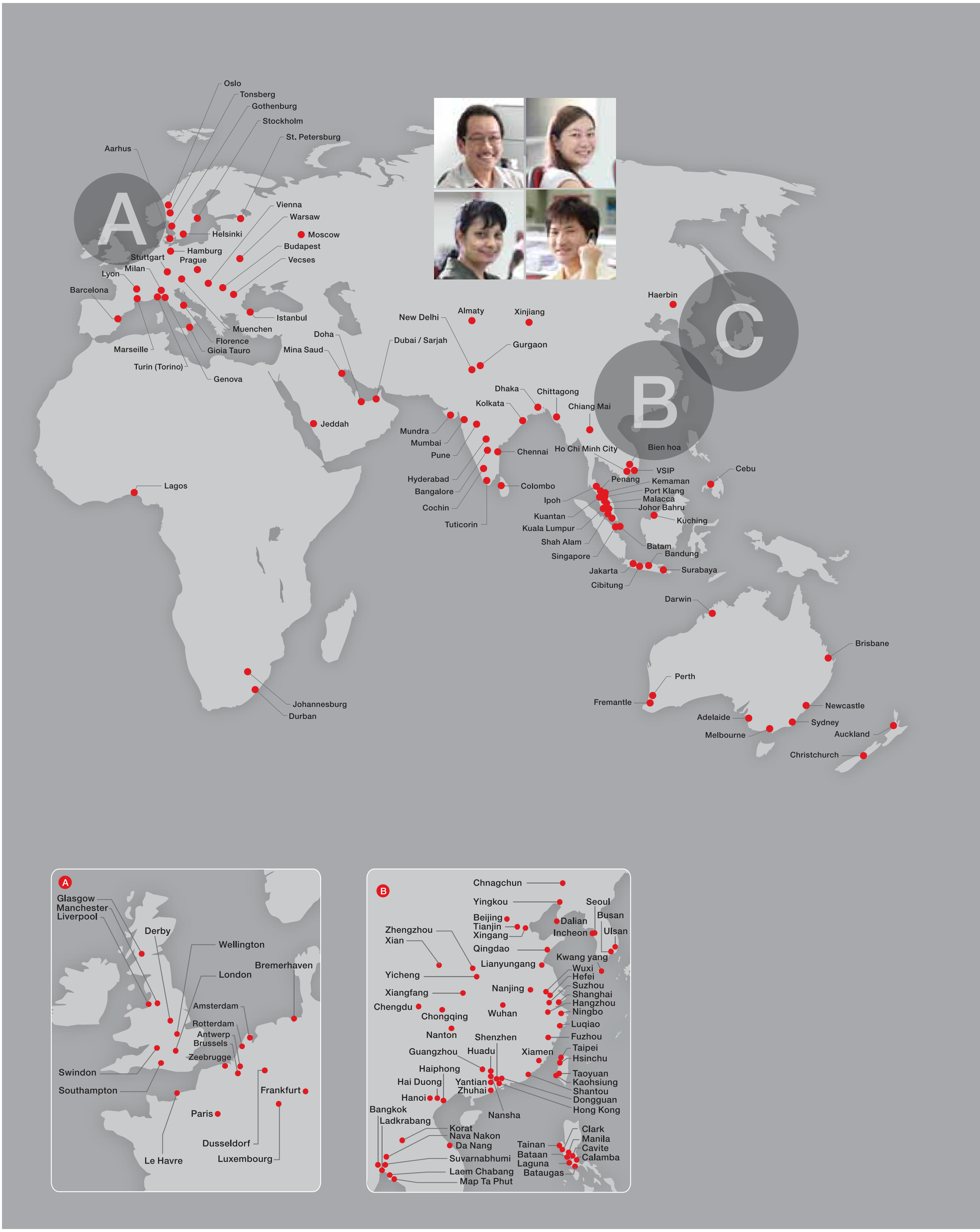
"More than
30 Branches & 1,000 Employees
in Malaysia"

17 KLIA Air Freight Logistics Centre
18 Melaka Logistics Centre / Melaka Truck Freight Station
19 Konica Minolta Office
20 Coca Cola (Enstek) Office
21 SOEM Bangi Office
22 Sungai Way Logistics Centre
23 Senai Truck Freight Station
24 Senai Air Freight Logistics Centre
25 Causeway Truck Freight Station
26 Pasir Gudang Logistics Centre
27 Kuching Air Freight Logistics Centre / Kuching Truck Freight Station / Kuching Logistics Centre
28 Kota Kinabalu Logistics Centre / Kota Kinabalu Truck Freight Station

SINGAPORE

29 Singapore Truck Freight Station

A GROWING PRESENCE OF NYK ACROSS THE WORLD



A GROWING PRESENCE OF NYK ACROSS THE WORLD

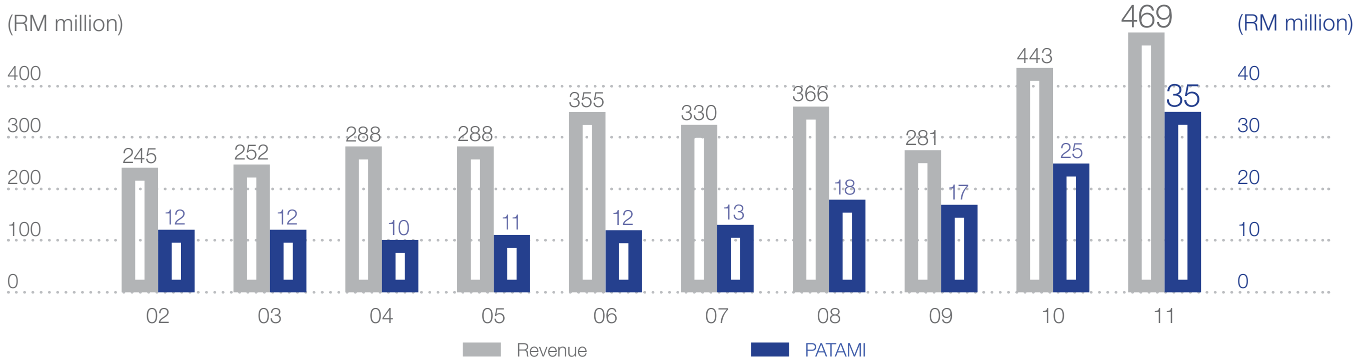
"More than
280 Logistics Centres & 29,000 Employees
in 36 countries"

CONSOLIDATED FINANCIAL HIGHLIGHTS

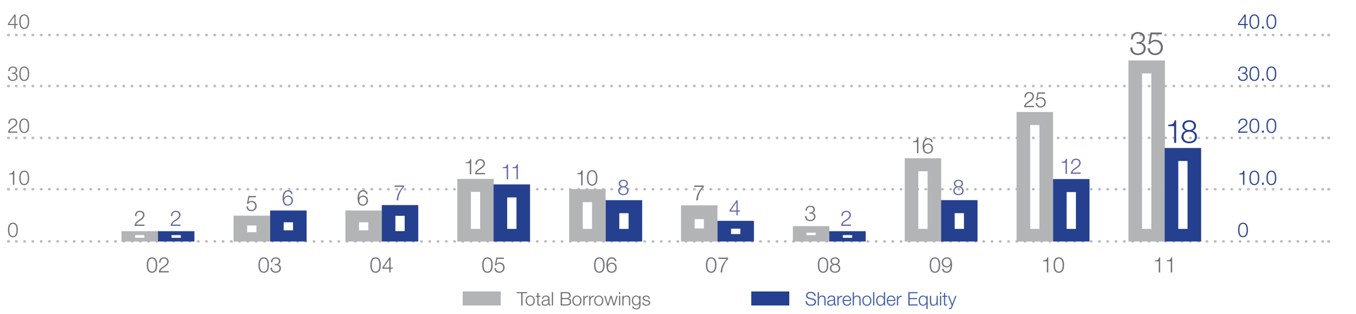
Year ended 31 December	2002	2003	2004	2005
Result of operations (RM'000)				
Revenue	245,350	252,360	288,313	288,045
PBTAMI[1]	17,561	17,034	14,485	14,578
PATAMI[2]	12,266	12,039	9,975	10,711
Capital expenditures	1,074	21,217	18,009	17,789
Financial position at year end (RM'000)				
Share capital (ordinary shares of RM1.00 each)	5,000	5,000	5,000	45,000
Total assets	105,906	139,648	134,929	153,303
Cash and bank balances	17,589	17,710	27,211	27,206
Total liabilities	31,014	52,717	38,017	45,679
Total borrowings	1,616	5,029	6,483	12,022
Shareholder equity	74,707	86,746	96,722	107,432
Amount per share (sen)				
Earnings per share[3]	12.27	12.04	9.98	10.71
Dividend per share (Annual)[4]	-	-	-	-
Ratios (%)				
Shareholder equity ratio	70.5	62.1	71.7	70.1
Return on equity	16.4	13.9	10.3	10.0
Return on assets	11.6	8.6	7.4	7.0
Current ratio	214.3	199.5	242.9	231.9
Gearing ratio	2.2	5.8	6.7	11.2
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 gross dividend divided by PATAMI.

Revenue And PATAMI



Total Borrowings And Gearing Ratio



CONSOLIDATED FINANCIAL HIGHLIGHTS

	2006	2007	2008	2009	2010	2011
	354,855	329,844	366,456	280,630	443,362	**469,211**
	16,953	18,312	22,548	14,160	32,724	**37,278**
	12,381	13,157	18,358	16,560	24,776	**34,590**
	12,157	14,663	84,323	53,579	27,834	**49,399**

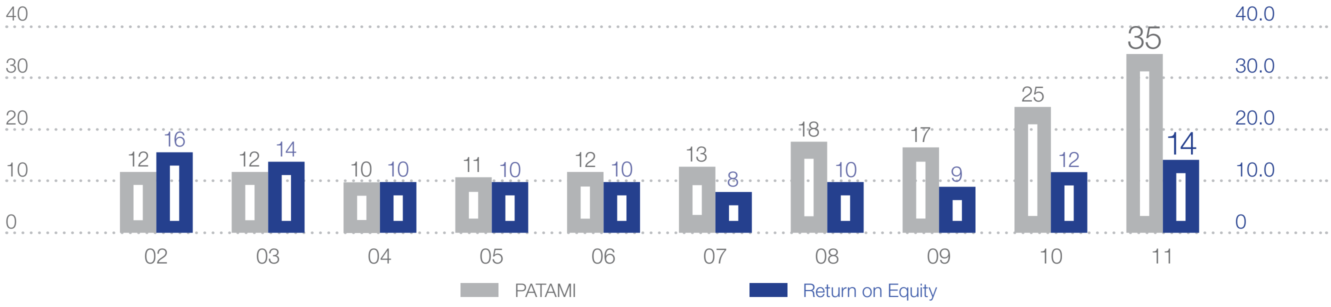
	2006	2007	2008	2009	2010	2011
	45,000	100,000	100,000	100,000	100,000	**100,000**
	170,207	208,476	246,209	263,371	295,897	**347,262**
	36,812	62,187	46,434	35,041	46,927	**49,280**
	50,161	49,251	65,841	70,724	81,757	**106,085**
	9,699	6,951	2,728	16,056	25,133	**42,923**
	119,825	158,982	180,097	192,323	213,763	**240,714**

	2006	2007	2008	2009	2010	2011
	12.38	13.16	18.36	16.56	24.78	**34.59**
	-	-	-	7.00	9.13	**12.90**

	2006	2007	2008	2009	2010	2011
	70.4	76.3	73.1	73.0	72.2	**69.3**
	10.3	8.3	10.2	8.6	11.6	**14.4**
	7.3	6.3	7.5	6.3	8.4	**10.0**
	229.5	291.8	187.0	208.4	231.6	**233.0**
	8.1	4.4	1.5	8.3	11.8	**17.8**
	-	-	-	42.3	36.9	**37.3**

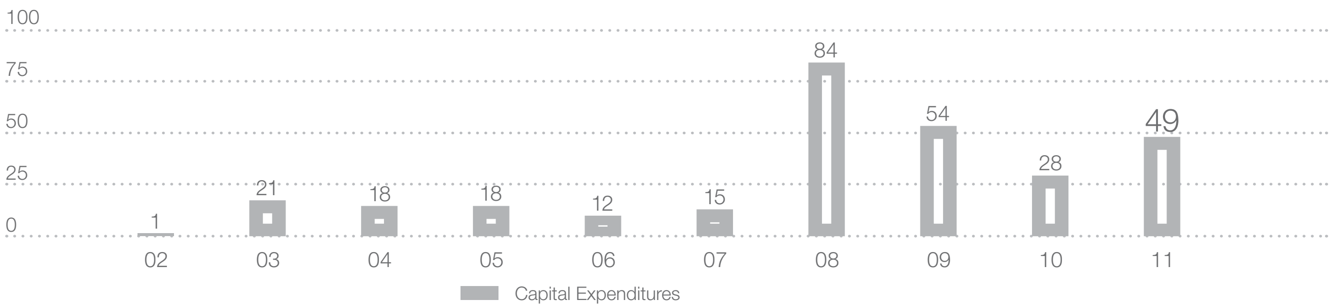
PATAMI And Return On Equity

(RM million)



Capital Expenditures

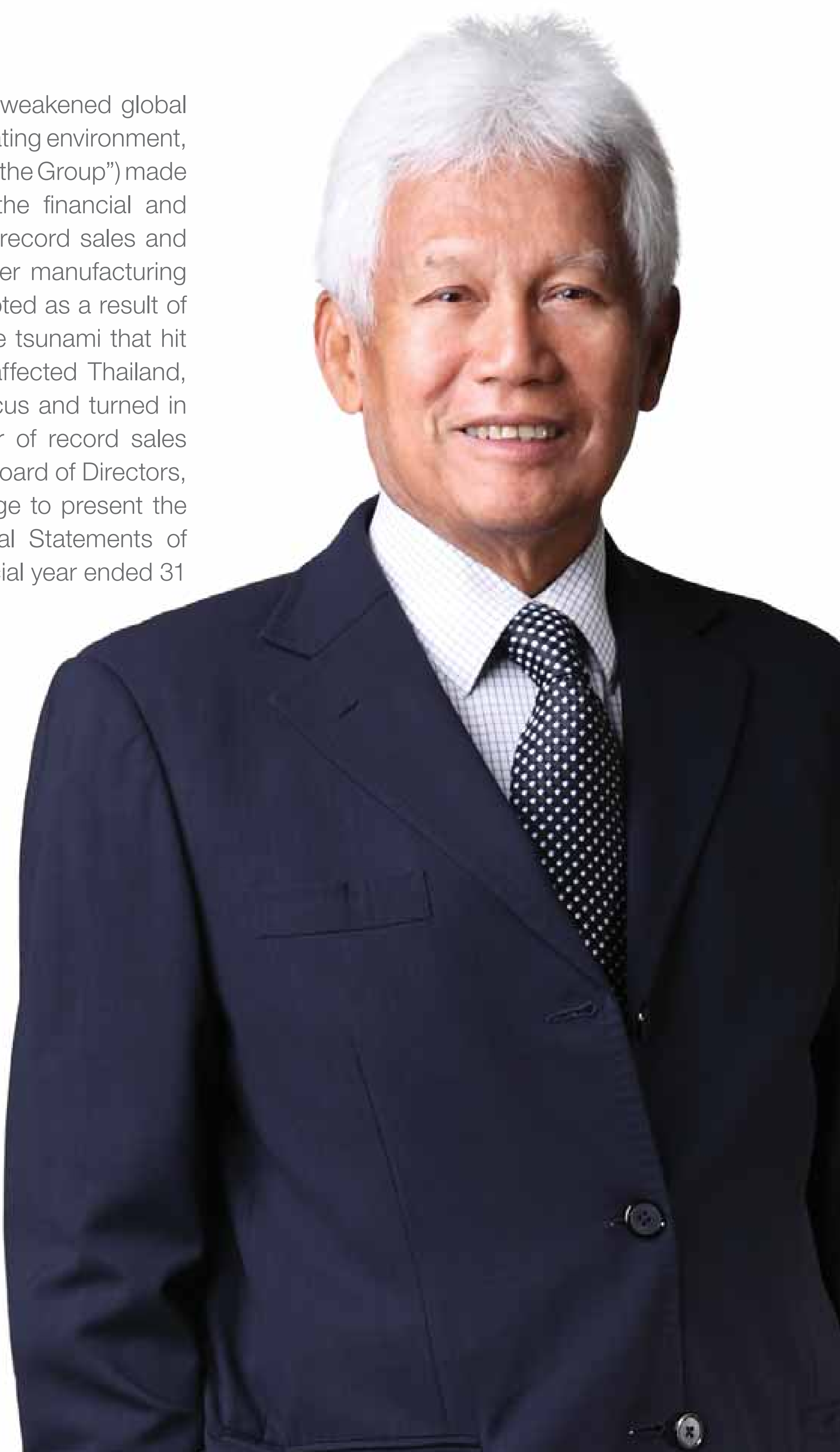
(RM million)



CHAIRMAN'S STATEMENT

Dear Stakeholders,

Despite the challenges of a weakened global economy and a difficult operating environment, TASCO Berhad ("TASCO" or "the Group") made strong strides forward on the financial and operational fronts to deliver record sales and profit in 2011. While customer manufacturing activities in 2011 were disrupted as a result of natural disasters such as the tsunami that hit Japan and the floods that affected Thailand, the Group maintained its focus and turned in its second consecutive year of record sales and profit. On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report and Financial Statements of TASCO Berhad for the financial year ended 31 December 2011 ("FY2011").



ROBUST BUSINESS PERFORMANCE

Group Financial Performance

I am pleased to report the Group achieved revenue of RM469.2 million in FY2011, an increase of 5.8% against revenue of RM443.4 million in FY2010. In tandem with this higher revenue and as a result of prudent operational efficiencies and strong growth in the Group's business, we registered higher profit before tax ("PBT") of RM37.4 million, an increase of 14.0% from the RM32.8 million recorded the year before.

The Group's profit after tax ("PAT") too surged 40% to RM34.7 million in FY2011 against the preceding year's PAT of RM24.8 million. Other than operational reasons, the higher PAT was partly attributable to our entitlement to an investment tax allowance awarded by the Malaysian Investment Development Authority ("MIDA") under its Integrated Logistics Services scheme. The impact from the ITA was a one-off saving of approximately RM9.8 million in corporate tax.

Performance by Business Segment

The Group's Domestics Business Solutions segment (comprising contract logistics and trucking services) and International Business Solutions segment (comprising air freight forwarding, ocean freight forwarding and buyer consolidation services) registered a 7% and 4% increase in revenue respectively.

The Group's overall revenue growth and profitability continued to be driven by the Domestic Business Solutions segment, which contributed some 59% of revenue and 88% of profit respectively. Within this segment, the key performer was the Contract Logistics ("CL") Division, which contributed 44% of the Group's total revenue. The CL Division registered growth of 8.6% y-o-y as a result of the strong expansion of third party logistics business for multinational companies (MNCs) involving integrated logistics solutions. Higher demand for warehousing space and haulage services, especially in the central region, as well as success in delivering on contracts secured from major new customers in this business segment, all helped strengthen the division's performance.

Growth on the International Business Solutions front was driven by our Air Freight Forwarding ("AFF") Division which registered a 4% increase in revenue. Demand for AFF services came on the back of increased demand for air freight by our major customers.

Contributions by Sector

The E&E, tobacco, automobile and FMCG sectors were the main contributors to 2011's good performance. With Japan making the switch from analogue to digital broadcast standards in July 2011, there was accelerated demand for E&E products, in particular digital TVs, which had a positive knock-on effect on TASCO's bottom line. FY2011 also saw non-Japan businesses contributing some 36% of revenue in comparison to 28% the year before even as we endeavoured to expand our non-Japanese customer base and secure sizeable contract logistics jobs from leading FMCG and tobacco companies.

STRATEGIES FOR GROWTH

Over the course of FY2011, several strategic initiatives were undertaken to ensure the sustainable growth of our businesses and reinforce TASCO's position as a leading player in the logistics sector.

Capital Investment Activities

The year saw us continuing to undertake capital investment activities as part of our expansion strategy. With our existing warehouse space already fully utilised, we launched a new 197,000 sq. ft. warehouse in Bangi in July 2011, while another 160,000 sq. ft. warehouse on our existing land bank in Shah Alam became operational in December 2011. Catering to customer demand for warehousing and contract logistics services, both these facilities are already tied in to long-term contracts with Tier 1 global customers. At the same time, these warehouses will enable us to aggressively explore opportunities to secure more long-term contracts with other MNCs. Both warehouses will make full-year contributions to our results in FY2012.

In a more recent development, the Group entered into an agreement to lease five acres of land at Pelabuhan Tanjung Pelepas for a period of approximately 43 years (expiring in 2055) for RM5.5 million. The Group intend to build a logistics centre offering comprehensive logistics solutions on this piece of land to leverage on this fast-growing port.

These initiatives reflect our ambition to remain a formidable and cost effective market player in the logistics business through our offer of strategically located, centrally-run, integrated logistics facilities with optimal warehousing capacity. We will continue to establish or expand strategically-located facilities that accord our customers effective integrated logistics solutions.

CHAIRMAN'S STATEMENT

Strategic Merger and Rebranding

In FY2011, TASCO was a 64.97% subsidiary of the Nippon Yusen Kabushiki Kaisha ("NYK") Group. NYK was the holding company for Yusen Logistics Co Ltd ("YLK"), one of the leading air freight forwarders in Japan, and was also the ultimate holding company for NYK Logistics companies globally. NYK Logistics companies were traditionally very strong in the sea logistics business whereas Yusen Logistics companies were traditionally very strong in the air freight logistics business. As part of a global operations rationalisation exercise, NYK began to merge both its air and sea logistics businesses worldwide from 2009 onwards. As at end March 2012, the rationalisation exercise had been completed in most countries.

As of 2 April 2012, pursuant to a corporate restructuring at shareholder level, TASCO is now under the ambit of the Yusen Logistics Group. Together with the other merged entities, the Group is reaping the synergistic benefits from the merger. Not only are we able to leverage on the spill-over effects from the merger in terms of better cost savings, resource sharing and increased operational efficiency, it has also provided us with stronger negotiating power and a more competitive positioning. Moreover, it has opened up Yusen's global network to us and has accorded us a door-to-door capability which we will aggressively pursue as we set our sights on growing our international business. Moving forward, we will work to sell two brands to our customers i.e. the TASCO brand for our domestic business and the Yusen Logistics brand for our international business.

Shareholder Value Creation

In view of the Group's strong performance, TASCO's Board of Directors is pleased to recommend a franked dividend of 11.6 sen less 25% tax and a final tax-exempt dividend of 1.3 sen in respect of the financial year ended 31 December 2011 (subject to shareholders' approval at the forthcoming Annual General Meeting). This will translate into an attractive gross dividend yield of 8% (based on the closing share price on 31 December 2011) and represent a pay-out ratio of 37.3% of the Group's earnings (FY2010: pay-out ratio of 36.9%). This quantum is also higher than the dividend of 9.13 sen declared for the financial year ending 31 December 2010 and will be our best dividend pay-out to date.

I am also delighted to announce that TASCO has once again made its way into OSK Research Sdn Bhd's Top Malaysian Small Cap Companies (50 Jewels) listing of the best 50 small cap companies on Bursa Malaysia for 2011. TASCO also made the top 50 Jewels list in 2010. The 50 Jewels are selected based on specific criteria including their market capitalisation (less than or equal to RM1.5 billion), profit track record, price earnings ratio, price to NTA, net gearing, return on equity, compounded annual growth rate in earnings, dividend outlook and management track record. OSK Research has been voted the Top Malaysian Small Cap Research House in the Asiamoney Polls since 2008 and its publication remains the de facto small cap investment compendium in Malaysia.

Responsible Corporate Practices

The Group is committed to balancing out its economic ambitions with responsible corporate practices that enhance our overall logistics operations, uphold workplace safety, protect the environment and benefit the communities we operate in. To ensure the highest workplace safety standards, TASCO undertakes stringent occupational safety and health practices including the roll out of safety and security training, audits and drills. All our forklift operators are required to undergo comprehensive training and certification, while truck drivers are required to undertake defensive driving training programmes with the aim of achieving zero vehicular accidents.

As part of our commitment to guaranteeing high quality logistics operations, all our major branches are fully committed to maintaining their ISO 9001:2008 quality management accreditation status. On the environmental front, we recycle waste, ensure our carbon footprint is mitigated through scheduled vehicle maintenance and the use of more environmental-friendly trucks, as well as undertake noise and pollution mitigation activities. As part of our responsibility to serving communities, 2011 saw us providing free logistics services to St. John Ambulance of Malaysia, as they worked to mobilise flood relief operations between Penang and Bangkok during the floods that struck Thailand.

Going Forward Into 2012

The world economy faces a highly challenging and uncertain environment in 2012. Global economic growth is expected to be impacted in the near term by international financial reforms and the necessary structural adjustments taking place in several major economies. Being a highly open economy, Malaysia's economic performance is expected to be affected by the general weakness in external demand and possible cross-border capital outflows. However, domestic demand is expected to remain resilient and will continue to be the anchor for growth. Bank Negara Malaysia projects that the domestic economy will grow between 4% and 5% in 2012. The 2012 Budget is expected to help spur private consumption while private investment will be supported by domestic-oriented industries and the on-going implementation of Economic Transformation Programme ("ETP") projects.

Amidst this uncertain environment, TASCO is determined to remain resilient and profitable. Given the unfavourable external economic demand, we will focus our efforts on growing our total logistics business where we already have long-term contracts from MNCs in hand for the provision of integrated logistics solutions. This will remain a key growth driver going forward given the growing demand among MNCs to outsource their logistics requirements. The fact that we have minimal exposure to the US and Europe and that we are primarily shipping consumer products with strong branding also bodes well for us.

The Group achieved creditable results in 2011 due to strategic investment in assets with good returns and through diversifying our customer base into non-Japan based businesses. We will continue to employ these strategies in 2012 among others as we work hard to deliver innovative logistics solutions and an enhanced customer service experience to our customers. We will also expand our logistics capacity where it is advantageous to do so, mitigate the risks inherent in our business, optimise operational efficiencies and enforce a strict cost control regime.

We anticipate that the high volume of cargo passing through our new integrated facilities, a higher level of engagement with existing and new customers, as well as the offer of value added services to all, will help bolster our performance. On top of this, we will leverage on the strength of Yusen Logistics' brand and global network as well as domestic and intra-ASEAN trade and the host of free-trade agreements to drive business growth. Barring unforeseen circumstances beyond our control, the Group is confident about our prospects for 2012 and is optimistic about delivering growth.

In Appreciation

On behalf of the Board of Directors, I wish to convey our heartfelt gratitude to our valued shareholders, customers, vendors, business partners and all the other stakeholders for their steadfast support of TASCO. Our sincere thanks also goes to the Government of Malaysia and the respective government agencies for their continued cooperation and support. We are grateful for all these parties' unwavering support in the midst of these turbulent times and certainly look forward to their continued confidence in our organisation.

The year's excellent performance is undoubtedly owing to the hard work and sacrifices of our dedicated management team and employees and we are deeply indebted to them. I am also deeply appreciative of my colleagues on the Board for their astute insights and wise counsel that helped guide us through yet another challenging year.

I wish to convey my heartfelt appreciation to my colleague on the Board, Mr Kimio Maki, who served as Executive Director from October 2007 to April 2012. We are thankful for his invaluable contributions to TASCO and wish him every success in his new endeavours. Please join me in welcoming Mr Muneaki Saito as a new member of the Board. We certainly look forward to his insights and contributions.

Going forward into 2012, we anticipate another year of challenges and opportunities and call upon all stakeholders to lend us their firm support as we build upon the good momentum we have gained. Thank you.

Tan Sri Asmat Bin Kamaludin
Chairman





FROM OUR GROUP MANAGING DIRECTOR

"By leveraging several key strategies, we delivered record profits in 2011 and expect to carry this good momentum forward into 2012. Going forward, TASCO will continue to remain nimble and flexible amidst a volatile operating environment. We will explore all opportunities with due diligence and overcome all obstacles with our usual resilience. Above all, we remain committed to ensuring sustainable growth and creating good value for our shareholders."

Q1

How did TASCO fare amidst FY2011's challenging operating environment?

Despite the vagaries of FY2011's operating environment which adversely impacted some of our businesses and propelled other business segments forward, TASCO delivered a record year in profits. Group earnings surged 40% year-on-year (y-o-y) to RM34.7 million and profit before tax (PBT) rose 14% y-o-y respectively. Both our International Business Solutions and Domestics Business Solutions businesses remained profitable registering revenue growth of 4% (RM7.2 million) and 7% (RM18.7 million) respectively.

PBT was mainly driven by our Contract Logistics ("CL") Division and Air Freight Forwarding ("AFF") Division which registered PBT growth of 49% (RM10.2 million) and 59% (RM1.3 million) respectively. However, our Ocean Freight Forwarding ("OFF") Division as well as Trucking Division saw their PBT dropping by 60% (RM1.6 million) and 49% (RM3.7 million) respectively due to a much more competitive operating environment and lower margins, among other things. Because of our diversified offering, we were able to keep business flowing with the strong growth on the CL and AFF fronts offsetting the negative PBT growth of our OFF and Trucking businesses.

The year's key performer was undoubtedly the CL Division which contributed 44% of the Group's total revenue. This division registered 8.6% y-o-y growth and chalked up a commendable operating profit margin of 14.8% on the back of strong expansion in our integrated third party logistics business with MNCs. Also, the natural disasters in Japan and Thailand resulted in demand for urgent air-freighted cargo which in turn boosted AFF Division's revenue by 4%. Due to the high volume of shipments (in particular replacement parts to Japan after the tsunami), as well as better cost management, our AFF business achieved a 60% higher operating profit as compared to FY2010.

Q2

What measures did TASCO undertake to maintain its competitive edge in FY2011?

We continued to leverage our warehousing advantage to differentiate ourselves from other players. Through investing in strategically located warehouses that are centrally-run as well as which offer integrated logistics facilities and an optimal capacity, we provided customers effective and cost efficient solutions. On top of this, our offer of third party contract logistics business with an integrated warehousing, land, sea and air freight solution continued to set us above the competition and draw in MNCs. The fact that most of our new warehousing facilities are already tied in to long-term contracts with Tier 1 global customers ensures we are already deriving good returns on our investments from the onset of operations. Our ability to tap into the consolidated resources and strong network of our parent company, a global logistics player, has undoubtedly given us a competitive edge and a door-to-door offering that few local players can match. In FY2011, even as we focused our efforts on expanding our non-Japan business and at the same time moved beyond E&E shipments, we met with good success. The year also saw offering customers more value added services, enhancing customer engagement efforts and cross-selling services with good effect.

FROM OUR GROUP MANAGING DIRECTOR

Q3

What are TASCO's strategies for growth as you go forward into 2012?

Going forward into 2012, we will employ several strategies to ensure sustainable growth. Our contract logistics business has already proven itself and we will continue to build upon the good momentum gained here. To add value to customers, we will focus on tailor-made solutions that meet our customers' specific needs. We are already very strong in this area and this will serve as a big revenue earner for us. Under the strengthened Yusen Logistics brand and network which has ultimately expanded our air and sea capability, we will look at ways to provide innovative door-to-door solutions. We will expand the provision of consolidated services to manufacturers so that they can undertake just-in-time production and reduce their inventory. We already have warehousing capabilities in major cities in Malaysia as well as a strong distribution network to enable us to accomplish this. Ultimately, we want to do everything along the supply chain to provide customers a total end-to-end solution.

Even as we have set our sights on moving beyond the E&E sector, we will explore building new facilities to cater to the FMCG and other sectors. While West Malaysia is and will remain a very important and strategic location for our domestic business, in time we will also explore investing in our own facilities in Kuching and Kota Kinabalu to expand our business in East Malaysia. We are confident that as we bring in the expertise and capabilities to tap these underserved markets, we will benefit from a first-to-market advantage. All in all, we are confident that as we bring these strategies into play, 2012 will be another fruitful year for us.

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..."

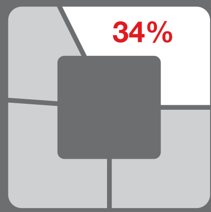
- INTEGRATION SERVICES
- CUSTOMISED SERVICES
- INNOVATIVE SOLUTIONS
- RELIABLE BRANDINGS
- ADVANCED IT SYSTEM
- EXTENSIVE NETWORKS
- CAPABLE PEOPLE
- COMPETITIVE PRICING
- FLEXIBLE RESOURCES
- QUALITY SERVICES

BUSINESS AT A GLANCE

Revenue Ratio 2011 | **Revenue 2011**

AIR FREIGHT FORWARDING DIVISION

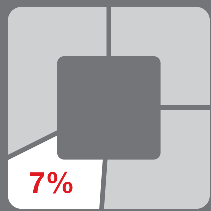
- Air Freight Services



RM159.8 million

OCEAN FREIGHT FORWARDING DIVISION

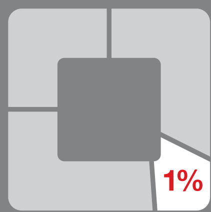
- Sea Freight Services



RM30.6 million

ORIGIN CARGO ORDER & VENDOR MANAGEMENT DIVISION

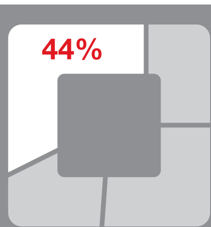
- Buyer Consolidation Services



RM2.4 million

CONTRACT LOGISTICS DIVISION

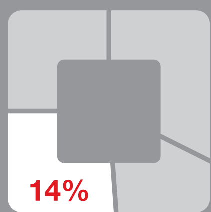
- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services
- Car Carrier
- Pre-Delivery Inspection



RM208.3 million

TRUCKING DIVISION

- Domestic Trucking
- Cross Border Trucking



RM68.1 million

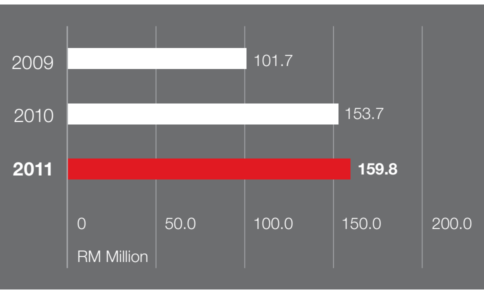
Notes:

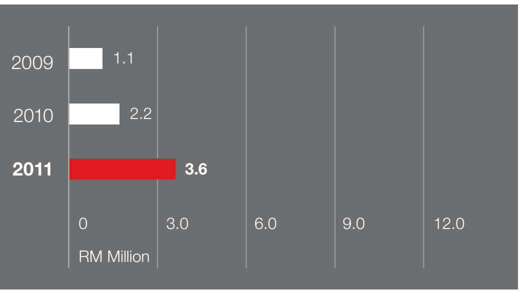
1. **Characteristics of International Business Solutions:**
   Minimum capital investment; Not highly regulated; Requires extensive international networks; Collaboration with foreign agents under a common IT system.
2. **Characteristics of Domestic Business Solutions:**
   High capital investment; Highly regulated; Requires extensive domestic networks; Support with proper resource planning under multiple IT systems.
3. **Our business divisions have been renamed to be in tandem with our NYK Group global business divisions naming convention:**
   a) International Air Freight Division is now known as Air Freight Forwarding Division.
   b) International Sea Freight Division is now known as Ocean Freight Forwarding Division.
   c) International Network Solutions Division is now known as Origin Cargo Order & Vendor Management Division.
   d) Forwarding and Auto CBU Division is combined and now known as Contract Logistics Division.

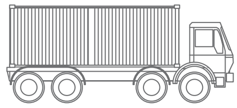
Revenue 2009 - 2011

Profit from Operations 2009 - 2011

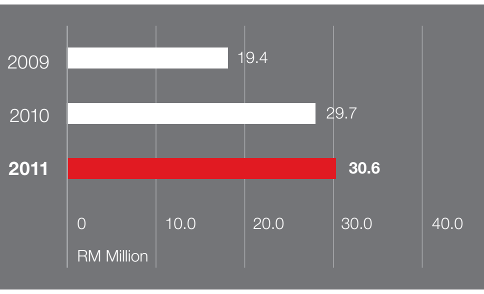
Resource Facilities

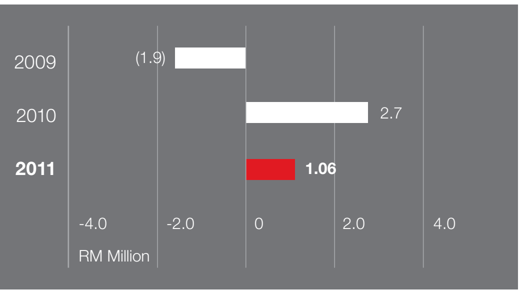


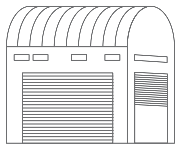




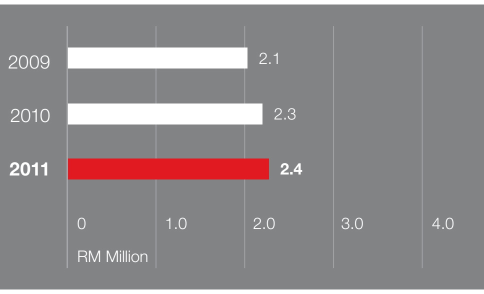
>250 units
Prime Movers & Trucks

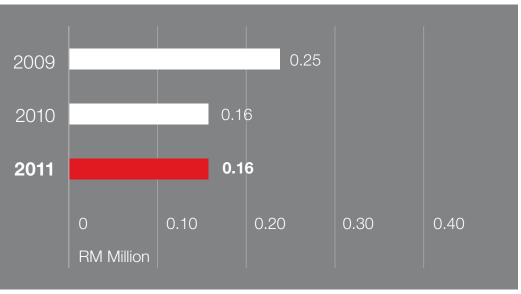


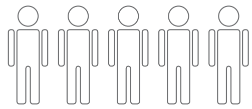




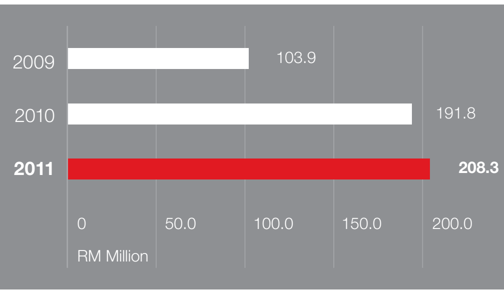
>200,000m²
Warehouse Space

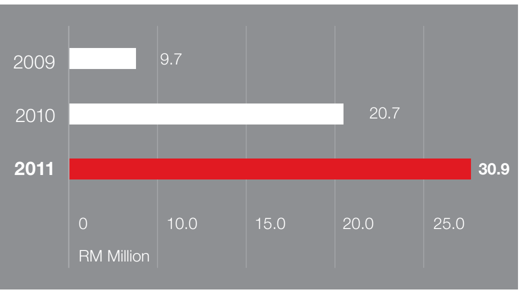




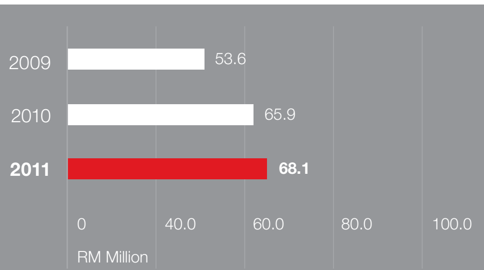


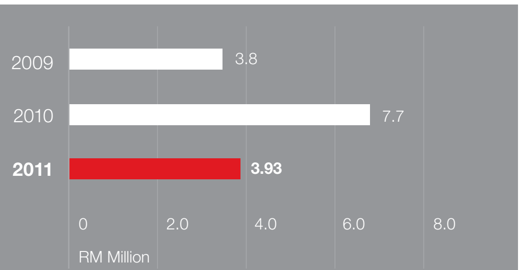
Domestic: >1,000
Worldwide: >29,000*
Employees





>30 branches
Domestic Networks





>280 logistics centres in 36 countries
International Networks

* Under the international logistics network of NYK Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Asmat Bin Kamaludin
Non-Executive Chairman

Lee Check Poh
Group Managing Director

Tan Kim Yong
Deputy Managing Director

Lim Jew Kiat
Deputy Managing Director

Tomoaki Handa
Executive Director

Muneaki Saito
Non-Executive Director

Kwong Hoi Meng
Independent Non-Executive Director

Raymond Cha Kar Siang
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

802, 8th 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

From left to right

1 RAYMOND CHA KAR SIANG
Independent Non-Executive Director
Aged 42, Malaysian

2 KWONG HOI MENG
Independent Non-Executive Director
Aged 45, Malaysian

3 LIM JEW KIAT
Non-Independent Deputy Managing Director
Aged 52, Malaysian

4 TOMOAKI HANDA
Non-Independent Executive Director
Aged 54, Japanese

5 TAN SRI ASMAT BIN KAMALUDIN
Non-Independent Non-Executive Chairman
Aged 68, Malaysian

6 LEE CHECK POH
Non-Independent Group Managing Director
Aged 63, Malaysian

7 RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
Independent Non-Executive Director
Aged 69, Malaysian

8 TAN KIM YONG
Non-Independent Deputy Managing Director
Aged 50, Malaysian

9 MUNEAKI SAITO
Non-Independent Non-Executive Director
Aged 49, Japanese

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

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
- Scomi Marine 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

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 1996 and 2001

Training
- Strategic Trade Act Forum: Proactive Deterrence Against Proliferation of Weapons of Mass Destruction
- Assessing the Risk and Control Environment
- Director's Training – MPI – 'The Holistic Board'
- ETP Update
- ICCA/MICPA forum SDCC

TAN SRI ASMAT BIN KAMALUDIN
Non-Independent Non-Executive Chairman
Aged 68, 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 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
- Mr Lee was unable to attend any training for the year 2011. The reasons for not being able to attend any training in 2011 are:
  - Initially he was to register for the Securities Commission – Bursa Malaysia Corporate Governance Week 2011 from 29 November to 2 December 2011 but he was hospitalised and was recuperating during that time.
  - Mr Lee was registered to attend training on 21 December 2011 but the programme was cancelled due to poor response.
  - Mr Lee then attended a training on 14 February 2012.

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
- MEF National Conference 2011 (Employer-Employee Relationship: Be on the Right Track)

LEE CHECK POH
Non-Independent
Group Managing Director
Aged 63, Malaysian

TAN KIM YONG
Non-Independent
Deputy Managing Director
Aged 50, Malaysian

PROFILE OF BOARD OF DIRECTORS

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
- 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

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 the oversea operations

Training
- Taking the Bull by the Horn: Addressing the Issue of Integrity
- Stand Up & Take Charge: Shareholders Rights to Shareholders Responsibilities

LIM JEW KIAT
Non-Independent
Deputy Managing Director
Aged 52, Malaysian

TOMOAKI HANDA
Non-Independent
Executive Director
Aged 54, Japanese

Date of Appointment
- 3 April 2012

Qualification
- Bachelor of Economics (Hitotsubashi University, Japan)

Other Directorship in Public Company
- None

Experience
- Joined the NYK group in 1986
- Was assigned to Indonesia as Director from 1999 to 2003
- Was assigned to Singapore as General Manager from 2003-2005
- Recall to NYK, Japan in 2005 and was again assigned to Singapore in April 2012 where he was appointed as a Director of YLKSG
- Appointed as our Non-Executive Director in April 2012

Training
- As Mr Saito was just recently appointed to the Board, he will attend the Mandatory Accreditation Programme within four months from the date of his appointment

MUNEAKI SAITO

Non-Independent Non-Executive Director
Aged 49, Japanese

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

Experience
- Appointed as an Independent Director in year 2007 and also the Chairman of the Audit Committee and a member of the Nominating Committee
- Became an ordinary member of the MICPA and a Chartered Accountant of the MIA in 1994 and an Approved Auditor in 2006
- Currently an Audit Partner of Messrs Kwong & Wong

Training
- Assessing the Risk and Control Environment
- Budget 2012 Proposals & Recent Developments
- Preparing for IFRS Convergence on 1 January 2012
- Contract Law – Updating through an Analysis of Recent Court Cases

KWONG HOI MENG

Independent Non-Executive Director
Aged 45, Malaysian

PROFILE OF BOARD OF DIRECTORS

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

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

Training
- Assessing the Risk and Control Environment

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

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

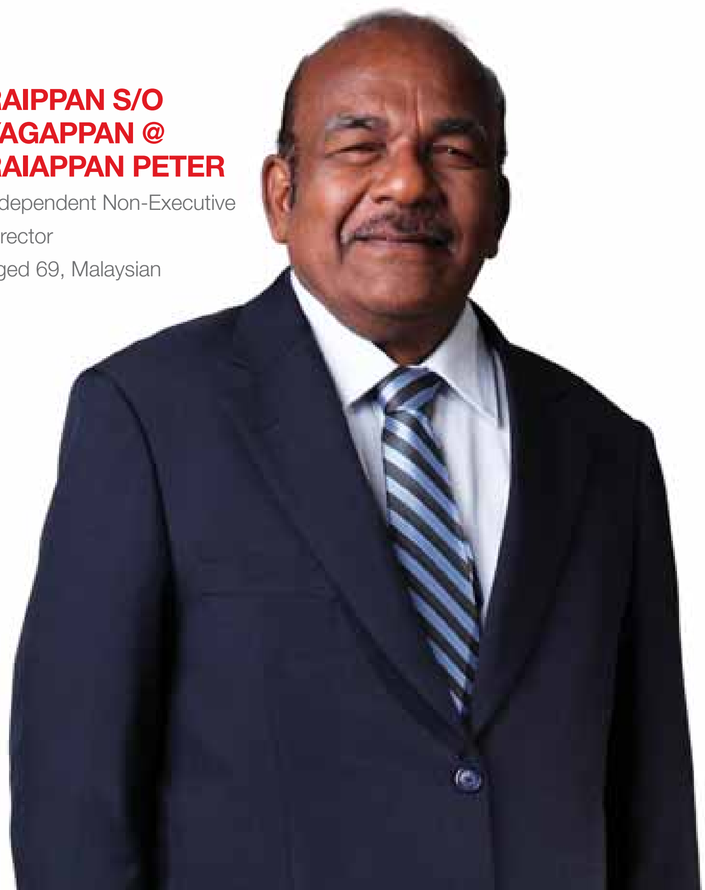
Training
- Assessing the Risk and Control Environment

RAYMOND CHA KAR SIANG

Independent Non-Executive Director
Aged 42, Malaysian

RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER

Independent Non-Executive Director
Aged 69, Malaysian



CORPORATE GOVERNANCE STATEMENT

To earn the trust of stakeholders – not only shareholders but also customers, business partners and the regional communities in which TASCO 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 ensuring that the principles and best practices on corporate governance are observed and practised throughout the Group as the fundamental part of discharging its responsibilities to protect and enhance shareholders' value.

The 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 their optimal governance framework.

INTERNAL ORGANISATION STRUCTURE

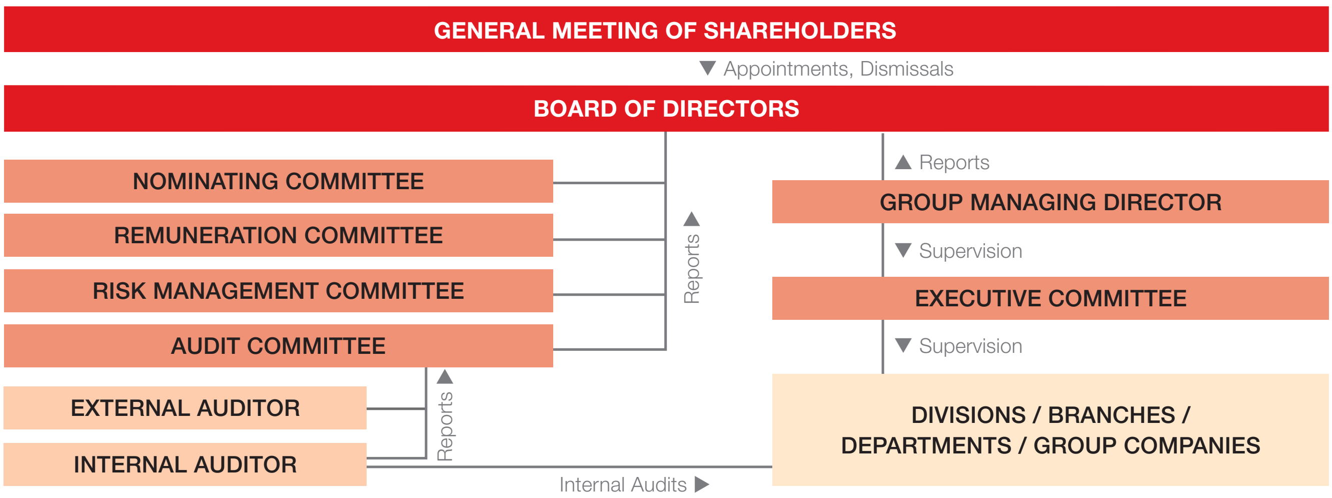
As at 31 December 2011, the Board comprises of 9 members, including 3 Independent Non-Executive directors. The Board had also established the following Board Committees to assist the Board in carrying out its fiduciary duties:

(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 for 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 prospective 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 details of attendance of each member at the Board meetings held during the financial year ended 31 December 2011 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Tan Sri Asmat Bin Kamuludin (Chairman)	Non Executive	No	5/5
Lee Check Poh (Group Managing Director)	Executive	No	5/5
Tan Kim Yong (Deputy Managing Director, Appointed on 17.02.2011)	Executive	No	5/5
Lim Jew Kiat (Deputy Managing Director, Appointed on 17.02.2011)	Executive	No	5/5
Kimio Maki (Resigned on 03.04.2012)	Executive	No	4/5
Tomoaki Handa	Executive	No	4/5
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
Ahmad Bin Ismail (Resigned on 17.02.2011)
Tan Hock Huat (Resigned on 17.02.2011)
Muneaki Saito (Appointed on 03.04.2012)

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 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 ("LR") 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 judgment, 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.

During the year, 5 board meetings were held and all Directors fulfilled the requirement stipulated by Bursa Malaysia in relation to their attendance at the Board meetings.

Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors in time to enable the Directors to effectively discharge their responsibilities. Any additional information requested by 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 deliberation and decision such as the approval of annual and interim results, major capital expenditure, budgets, major investments, strategic issues affecting the business of the Group, corporate policies and procedures and corporate plans.

In addition, on important matters that require the Board's decisions, prior briefings, if necessary, are provided or conveyed by Executive Directors to other Board members to ensure full knowledge and understanding thus enhancing the members' comprehension of 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 Company's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from the Directors for the Group's own records and for the purposes of meeting statutory obligations as well as obligations arising from the LR 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 ("MAP") except Mr Muneaki Saito who was appointed to the Board on 3 April 2012 and he will attend the MAP within the stipulated time frame as required by LR of Bursa Malaysia. The Board assumes the onus of determining or overseeing the training needs of the Directors. The Directors are encouraged to attend relevant seminars and courses to keep themselves updated on the various issues facing the changing business environment, regulatory and corporate governance developments to enhance their professionalism and knowledge to effectively discharge their duties and obligations.

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

NOMINATING COMMITTEE

The Nominating Committee comprises the following members and the details of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 December 2011 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 Nomination Committee set up on 6 December 2007, is responsible for recommending the right candidate for appointment to the Board or Board Committees. The Nomination 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.

CORPORATE GOVERNANCE STATEMENT

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

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

In accordance with the Company's Articles of Association, 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 details of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 December 2011 are as follows:

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

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

The terms of reference of the Remuneration Committee have been approved by the Board and 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 Executive Directors. Reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills.

The details of the remuneration of Directors of the Company for the year ended 31 December 2011 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	2	3
RM100,001 to RM150,000	-	1
RM200,001 to RM250,000	2	-
RM250,001 to RM300,000	2	-
RM800,001 to RM850,000	1	-

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

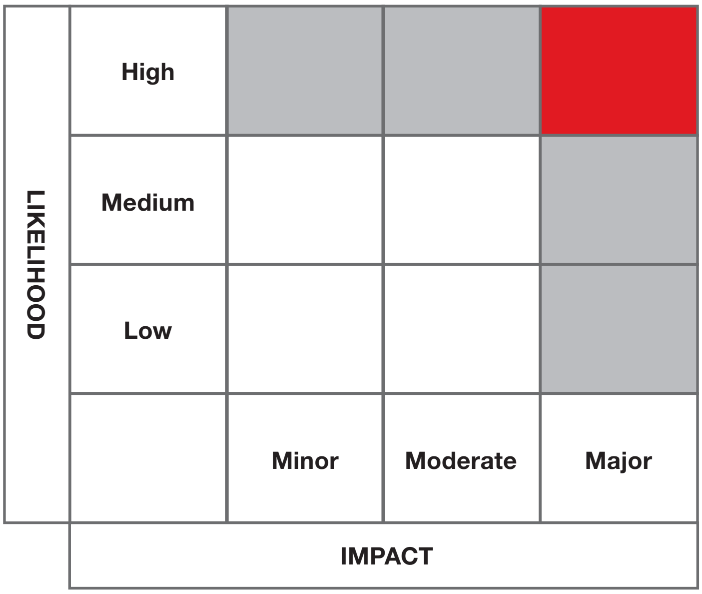
	Fees RM	Salaries and Other Emoluments	Total RM
Executive Directors Non-Executive Directors	Nil RM192,650	RM1,869,627 Nil	RM1,869,627 RM192,650

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 Company by adopting the following Risk Tabulation Table to identify and evaluate its risk exposure, focusing on its operational processes. Appropriate measures will be taken to mitigate these risks in the future.

Risk Tabulation Table



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

AUDIT COMMITTEE

The Audit Committee comprises the following members and the details of attendance of each member at the Audit Committee meetings held during the financial year ended 31 December 2011 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 an 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 the recommendations of the Code.

The terms of reference of the Audit Committee together with its report are presented on pages 36 to 38 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 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 on Internal Control as set out on page 39 and 40 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 RM56,574 of internal audit costs during the financial year ended 31 December 2011.

FINANCIAL REPORTING

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

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

- Selected suitable accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensure 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 overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

INVESTOR RELATIONSHIPS

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

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

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

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

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2011.

PRIMARY PURPOSES

The Audit Committee ("AC") 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 AC.
6. Act upon the Board's request to investigate and report on any issues or concerns with regard to the management of the Group.

COMPOSITION AND ATTENDANCE

The AC has 3 members, all of whom are Independent Directors. This meets the requirements of the Corporate Governance Code. The members of the AC and their meeting attendance are presented on page 33 of the Annual Report.

The AC Chairman, Mr Kwong Hoi Meng is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants which complies with paragraph 15.09(1)(c)(i) of the LR.

AUTHORITY

The AC 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. 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. able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

FUNCTIONS AND DUTIES

The functions of the AC 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;
    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; and
    d. approve any appointment or termination of senior staff members of the internal audit function.

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;
    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;
    d. review the external auditors' audit report and 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;
    f. review the adequacy of existing external auditors audit arrangements, with particular emphasis on the scope and quality of the audit;
    g. review the assistance given by the employees of the Group to the external auditors; and
    h. 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 (2) a year.

6. To carry out any other function that may be mutually agreed upon by the AC and the Board, which would be beneficial to the Group and ensure the effectiveness discharge of the AC'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 AC actions shall be reported to the Board with such recommendations as the AC deemed appropriate.

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

AUDIT COMMITTEE REPORT

RETIREMENT AND RESIGNATION

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

SECRETARY

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

MEETINGS

The AC met 5 times in 2011. A quorum of 2 Independent directors was always met for the AC meetings.

The lead audit partner of the External Auditors responsible for the Group attended 2 AC meetings in 2011 to present the auditors' report on the annual audited financial statements for the financial year ended ("FYE") 31 December 2010 and their Audit Planning Memorandum before commencement of the audit of the Group for the FYE 31 December 2011. The AC also met the External Auditors on 23 February 2011 and 9 November 2011, without the presence of the Board, management or Internal Auditors. At these meetings the AC enquired about the management cooperation with the External Auditors, access to information in their course of audit and proficiency in financial reporting. The External Auditors were also invited to raise any matter that is of importance to the AC.

INTERNAL AUDIT

The Group Internal Audit Function that was outsourced to an Audit Firm conducted the audit activities as planned in the Internal Audit Memorandum 2011 approved on 11 November 2010. Their scope of audit also covers Recurrent Related Party Transactions.

The Group Internal Auditor presented their findings and report to the AC members at 4 of the AC meetings held during the year 2011. Their reports cover the status and progress of their assignments, audit recommendations and management response. Follow up audit reports were also presented to the AC.

SUMMARY OF ACTIVITIES

The AC carried out the following activities during the financial year under review:

a. Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified;
b. Reviewed the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities is adequately covered;
c. Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:
    (i) significant and unusual events;
    (ii) changes in or implementation of major accounting policy; and
    (iii) compliance with accounting standards and other legal requirements;
d. Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the Bursa Malaysia Main Market LR;
e. Reviewed the policies, procedures and processes established for related party transactions;
f. Reviewed and approved the proposed final audit fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;
g. Considered the re-appointment of the external auditors and renewal of internal audit engagement; 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 minimize the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's system of internal control does not apply to its associated company because the Group does not have full management control over it.

The internal control system of the Group has 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 are provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Budgeting and forecasting system governed by 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.

INTERNAL AUDIT

The Group has an Internal Audit Function, which reports to the Audit Committee and assists the Board In the monitoring and managing of risks and internal controls. The Internal Auditor provides an independent, objective assurance and advisory services that add value and improve the operations by:

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

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

RISK MANAGEMENT

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

- Ensuring the Company implements a comprehensive system of risk identification, assessment and management;
- Forms an integral part of the Group's structure and design to identify, assess, monitor and manage risks;
- Regularly reviews the risks 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 2011 are as follows:

No.	Nature of Transacting	Transactions Parties	Interested Related Parties	Aggregate Value (RM'000)
1	Various agency agreement entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitates the operations of each other.	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2] and NYK Group[3]	Sales: 70,854 Purchases: 50,157
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]	509
3	Software agreement entered into between TASCO and the NYK Group's subsidiaries to grant TASCO for the use of computer software for its various logistics services.	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2] and NYK Group[3]	175
4	Management service agreements entered into between TASCO and the NYK Group's subsidiaries for the 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]	716
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group	Kimio Maki[1], Tomoaki Handa[2] and NYK Group[3]	2,656
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]	990 300

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 IN 2011

8 JUNE 2011

Our Company held its 36th Annual General Meeting in our Corporate Head Office. It was a lively meeting with active participation by the shareholders.

12 JULY 2011

Bangi Logistics Centre 2 was officially opened. The new 197,000 sq ft warehouse was built within the targeted time to cater for the needs of our Tier 1 client, Sony Supply Chain Solutions (M) Sdn Bhd. The spacious warehouse with high ceiling for ventilation purposes has 48 loading bays, a 30 metre truck pathway and 200 parking lots for trucks.

12 JULY 2011

Mr Shunichi Yano, the Chairman of Yusen Logistics Co., Ltd., Japan visited our Head Office. He was taken for a tour of our warehouse and office in Shah Alam before visiting our Bangi Auto Logistics Centre. He later attended the opening ceremony of our Bangi Logistics Centre 2.

21 JULY 2011

Our Company held a farewell dinner for our Corporate Director, Encik Ahmad Bin Ismail in Petaling Jaya. Encik Ahmad has served the Company for 26 years and previously also sat on the Board of Directors.

16 -18 SEPTEMBER 2011

Our Company held its 37th Annual Gathering in Hatyai, Thailand. More than 500 staff was treated to a night of good entertainment during the grand dinner held on 17 September 2011 at the Hansa J.B. Hotel. Earlier in the afternoon a team building event was held.

13 NOVEMBER 2011

A traffic safety campaign "Avoid Reckless and Careless Driving" which was jointly organised by TASCO and Jabatan Pengangkutan Jalan, Malaysia was launched simultaneously in the Northern, Central and Southern region. The one-month campaign for the period 13 November 2011 to 13 December 2011 was to promote and instill safe.

15 NOVEMBER 2011

A simple handover ceremony was conducted in the newly completed Warehouse F in our Shah Alam Logistics Centre. This warehouse added another 160,000 sq.ft. of warehousing space.

13 -15 DECEMBER 2011

The President of Yusen Logistics Co. Ltd, Mr Hiromitsu Kuramoto and the Regional director, Mr Tatsuo Aoyagi paid a visit to our corporate Head Office from 13 December to 15 December 2011. Our company hosted a welcome dinner in their honour at Holiday Inn Kuala Lumpur Glenmarie hotel on 13 December 2011. The guests of honour met the senior management staff and were taken for a tour of our facilities during their visit.

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 programs focus on quality, environment and safety with the emphasis of preventing work place and road accidents. As the Group desires for all employees to remain aware of the importance of CSR as they perform their daily duties, the Group establishes the following philosophies for the employees:

Sales Philosophy
Globally Dedicated, Locally Focused

Operation Philosophy
5 "R"- Right 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 work place safety programs. The following includes some of the activities that had been carried out:

a) **Occupational Safety and Health**

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

During the year 2011, a fire drill exercise was conducted in our Pasir Gudang warehouse/office attended by 18 participants.

b) Certification of Forklift Operators

The Safety Committee carried out training programs 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 damages 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 trainings 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 were 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.

In year 2011, a Traffic Safety Awareness Campaign was launched concurrently in all the major branches in northern, central and southern regions by Jabatan Pengangkutan Jalan, Malaysia. A total number of 208 participants, mostly drivers were involved.

e) Schedule Maintenance of Trucks

Our fleets of trucks are subject to scheduled preventive maintenance by our in-house workshop to ensure their roadworthy condition, thereby reducing the likelihood of vehicle breakdown or causing road accidents which may resulting 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, we were presented with various quality and appreciation awards from our customers as well as from the Royal Malaysian Customs over the years.

The Group is also concerned with the environment issues and the followings 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.

INTERNATIONAL COMMUNITY WORKS

In the major flood of Thailand, we have provided logistics services to St John Ambulance of Malaysia in mobilising flood relief from Penang to Bangkok, Thailand.

Financial Statements

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company limited by way of shares incorporated in Malaysia under the Companies Act 1965
REGISTERED OFFICE	:	802, 8th 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 YEAR ENDED 31 DECEMBER 2011

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 2011.

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	34,590,436	33,755,276
Non-controlling interests	85,924	-
	34,676,360	33,755,276

DIVIDENDS

During the financial year, the Company paid final dividend comprising a tax exempt portion of 4.60 sen and a franked portion of 4.53 sen less 25% income tax per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2010.

The Directors have recommended a final dividend in respect of the financial year ended 31 December 2011 as follows:-

	Gross (sen) Per share	Net (sen) Per share
Tax exempt portion	1.30	1.30
Franked portion less 25% tax	11.60	8.70
Total	12.90	10.00

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 60 and 61.

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)

In accordance with the Article 77 of the Company's Articles of Association, Tan Sri Asmat Bin Kamaludin, Mr Tomoaki Handa and Mr Raymond Cha Kar Siang retire from the Board at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

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

	No. of ordinary shares of RM1 each			
	At 1.1.2011	Bought	Sold	At 31.12.2011
The Company				
Tan Sri Asmat Bin Kamaludin				
- deemed interest	-	-	-	-
Mr Lee Check Poh				
- deemed interest	9,830,438	-	-	9,830,438
Mr Tan Kim Yong				
- direct interest	69,900	-	-	69,900
Mr Lim Jew Kiat				
- 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
Subsidiary				
- Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh				
- direct interest	49,000	-	-	49,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors 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.

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.

(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 22 February 2012

LEE CHECK POH
Director

KIMIO MAKI
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD

(INCORPORATED IN MALAYSIA)

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 2011 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 64 to 112.

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 2011 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 statements and the auditors' report of the subsidiary of which we have not acted as auditor, 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.

Other Reporting Responsibilities

The supplementary information set out in Note 40 on page 113 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. 1501/9/13 (J/PH)
Chartered Accountant

Kuala Lumpur

Date: 22 February 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	2011 RM	2010 RM
ASSETS			
Non-current assets			
Property, plant and equipment	2	194,305,421	160,321,873
Goodwill	3	864,854	864,854
Investment in associated company	5	5,137,989	5,632,643
Other investments	6	1,225,104	1,225,104
Total non-current assets		201,533,368	168,044,474
Current assets			
Inventories	7	241,202	184,197
Trade receivables	8	67,882,779	62,249,362
Other receivables, deposits and prepayments		4,413,416	4,062,009
Amounts owing by related companies	10	9,359,207	9,890,866
Current tax asset		14,551,647	4,539,127
Fixed deposits with a licensed bank	11	29,639,415	32,049,759
Cash and bank balances	12	19,640,534	14,877,275
Total current assets		145,728,200	127,852,595
TOTAL ASSETS		347,261,568	295,897,069

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2011

	Note	2011 RM	2010 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	13	100,000,000	100,000,000
Share premium		801,317	801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		(285,227)	(683,424)
Exchange translation reserve		(36,932)	3,265
Retained earnings		138,834,616	112,241,684
Equity attributable to ownersof the Company		240,714,365	213,763,433
Non-controlling interests		462,702	376,778
Total equity		241,177,067	214,140,211
Non-current liabilities			
Hire purchase and finance lease liabilities	14	310,704	254,120
Long term bank loans	15	30,117,553	17,458,494
Deferred tax liabilities	16	13,104,587	8,848,911
Total non-current liabilities		43,532,844	26,561,525
Current liabilities			
Trade payables	17	27,341,468	22,280,679
Other payables, deposits and accruals	18	16,890,354	19,517,817
Amount owing to related companies	10	5,441,924	5,280,450
Amounts owing to associated company	19	322,163	604,313
Hire purchase and finance lease liabilities	14	294,784	420,673
Bank term loans	15	12,199,996	7,000,000
Current tax liabilities		60,968	91,401
Total current liabilities		62,551,657	55,195,333
Total liabilities		106,084,501	81,756,858
TOTAL EQUITY AND LIABILITIES		347,261,568	295,897,069

Notes to the financial statements are set out on pages 64 to 112
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Note	2011 RM	2010 RM
ASSETS			
Non-current assets			
Property, plant and equipment	2	196,229,338	162,130,002
Investment in subsidiary companies	4	14,262,565	14,262,565
Investment in associated company	5	3,000,000	3,000,000
Other investments	6	1,225,104	1,225,104
Total non-current assets		214,717,007	180,617,671
Current assets			
Trade receivables	8	64,119,712	58,515,604
Other receivables, deposits and prepayments		3,471,509	2,951,139
Amounts owing by subsidiary companies	9	9,642,735	8,309,555
Amounts owing by related companies	10	9,359,207	9,890,866
Current tax asset		14,511,278	4,539,127
Fixed deposits with a licensed bank	11	29,639,415	32,049,759
Cash and bank balances	12	16,057,520	11,284,404
Total current assets		146,801,376	127,540,454
TOTAL ASSETS		361,518,383	308,158,125

STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2011

	Note	2011 RM	2010 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	13	100,000,000	100,000,000
Share premium		801,317	801,317
Hedge reserve		(285,227)	(683,424)
Retained earnings		115,946,574	90,188,802
Total equity		216,462,664	190,306,695
Non-current liabilities			
Hire purchase and finance lease liabilities	14	310,704	254,120
Long term bank loans	15	30,117,553	17,458,494
Deferred tax liabilities	16	12,713,000	8,443,558
Total non-current liabilities		43,141,257	26,156,172
Current liabilities			
Trade payables	17	24,382,034	19,909,127
Other payables, deposits and accruals	18	15,776,116	16,971,163
Amounts owing to subsidiary companies	9	43,497,445	41,509,532
Amount owing to related companies	10	5,441,924	5,280,450
Amounts owing to associated company	19	322,163	604,313
Hire purchase and finance lease liabilities	14	294,784	420,673
Bank term loans	15	12,199,996	7,000,000
Total current liabilities		101,914,462	91,695,258
Total liabilities		145,055,719	117,851,430
TOTAL EQUITY AND LIABILITIES		361,518,383	308,158,125

Notes to the financial statements are set out on pages 64 to 112
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Revenue	20	469,210,794	443,361,999	452,728,314	433,604,169
Cost of sales		(361,073,671)	(349,340,058)	(348,013,868)	(343,363,824)
Gross profit		108,137,123	94,021,941	104,714,446	90,240,345
Other income	22	1,863,891	4,875,642	2,874,609	5,679,493
Administrative and general expense		(71,791,561)	(65,745,645)	(70,342,692)	(64,385,294)
Profit from operations	21	38,209,453	33,151,938	37,246,363	31,534,544
Finance costs	23	(1,438,913)	(990,065)	(1,438,913)	(990,065)
Share of net profits of associated company		593,934	615,652	-	-
Profit before tax		37,364,474	32,777,525	35,807,450	30,544,479
Taxation	24	(2,688,114)	(7,948,377)	(2,052,174)	(7,228,000)
Profit for the year		34,676,360	24,829,148	33,755,276	23,316,479
Other Comprehensive Income:					
Exchange difference on translation of foreign operation		(40,197)	21,360	-	-
Fair value adjustment on cash flow hedge		398,197	(356,874)	398,197	(356,874)
Other comprehensive income/(loss) for the year, net of tax		358,000	(335,514)	398,197	(356,874)
Total comprehensive income for the year		35,034,360	24,493,634	34,153,473	22,959,605

STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
EQUITY AND LIABILITIES					
Equity					
Profit attributable to:					
Owners of the Company		34,590,436	24,775,855	33,755,276	23,316,479
Non-controlling interests		85,924	53,293	-	-
Profit for the year		34,676,360	24,829,148	33,755,276	23,316,479
Total comprehensive income attributable to:					
Owners of the Company		34,948,436	24,440,341	34,153,473	22,959,605
Non-controlling interests		85,924	53,293	-	-
Total comprehensive income for the year		35,034,360	24,493,634	34,153,473	22,959,605
Basic earnings per share attributable to owners of the Company (sen per share)	25	34.59	24.78		

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

		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 2010		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	26	-	-	-	-	-	(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
Total comprehensive income for the year		-	-	-	398,197	(40,197)	34,590,436	34,948,436	85,924	35,034,360
Dividend paid	26	-	-	-	-	-	(7,997,504)	(7,997,504)	-	(7,997,504)
Balance at 31 December 2011		100,000,000	801,317	1,400,591	(285,227)	(36,932)	138,834,616	240,714,365	462,702	241,177,067

Notes to the financial statements are set out on pages 64 to 112
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STATEMENTS OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2011

	Note	← Non distributable		→	Distributable	
		Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 1 January 2010		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	26	-	-	-	(3,000,000)	(3,000,000)
Balance at 31 December 2010		100,000,000	801,317	(683,424)	90,188,802	190,306,695
Total comprehensive income for the year		-	-	398,197	33,755,276	34,153,473
Dividend paid	26	-	-	-	(7,997,504)	(7,997,504)
Balance at 31 December 2011		100,000,000	801,317	(285,227)	115,946,574	216,462,664

Notes to the financial statements are set out on pages 64 to 112
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STATEMENTS OF CASH FLOWS

FOR THIS YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		37,364,474	32,777,525	35,807,450	30,544,479
Adjustments for:					
Bad debts written off		215,094	-	215,094	-
Depreciation		15,388,107	13,721,946	15,365,741	13,613,231
Gain on disposal of property, plant and equipment		(20,641)	(353,560)	(20,641)	(163,500)
Gain on disposal of asset held for sale		-	(639,183)	-	(639,183)
Property, plant and equipment written off		500	1,244,460	-	1,244,460
Share of net profits of an associated company		(593,934)	(615,652)	-	-
Interest income		(671,490)	(377,002)	(671,490)	(377,002)
Dividend income		(38,467)	(37,457)	(1,127,054)	(1,126,044)
Interest expense		1,438,913	990,065	1,438,913	990,065
Unrealised gain on foreign exchange		(344,560)	-	(344,560)	-
Operating profit before working capital changes		52,737,996	46,711,142	50,663,453	44,086,506
Changes in current assets		(5,552,984)	(15,831,696)	(5,635,633)	(17,955,814)
Changes in current liabilities		3,408,316	9,459,590	4,238,351	9,724,795
Cash generated from operations		50,593,328	40,339,036	49,266,171	35,855,487
Tax paid		(8,489,889)	(3,880,715)	(7,754,884)	(3,101,386)
Net cash generated from operating activities		42,103,439	36,458,321	41,511,287	32,754,101
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	27	(48,727,084)	(38,414,188)	(48,822,261)	(38,162,646)
Proceeds from disposal of property, plant and equipment	28	49,550	353,560	49,550	163,500
Proceeds from disposal of asset held for sales	29	-	6,000,000	-	6,000,000
Advances to subsidiary companies		-	-	(1,333,180)	(601,761)
Interest received		671,490	377,002	671,490	377,002
Dividends received from other investments		38,467	28,092	38,467	28,092
Net cash used in investing activities		(47,967,577)	(31,655,534)	(49,395,934)	(32,195,813)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		26,764,524	18,200,000	26,764,524	18,200,000
Repayment of term loan		(8,507,272)	(6,476,667)	(8,507,272)	(6,476,667)
Advances from subsidiary companies		-	-	1,987,913	2,589,449
Payment of hire purchase and finance lease liabilities		(561,330)	(648,464)	(561,330)	(648,464)
Interest paid		(1,438,913)	(990,065)	(1,438,913)	(990,065)
Dividend paid		(7,997,504)	(3,000,000)	(7,997,504)	(3,000,000)
Net cash generated from financing activities		8,259,505	7,084,804	10,247,418	9,674,253
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,395,367	11,887,591	2,362,771	10,232,541
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		46,927,034	35,041,007	43,334,163	33,101,622
EFFECT OF EXCHANGE RATE CHANGES		(42,452)	(1,564)	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD		49,279,949	46,927,034	45,696,934	43,334,163
Represented by:					
Fixed deposits with a licensed bank		29,639,415	32,049,759	29,639,415	32,049,759
Cash and bank balances		19,640,534	14,877,275	16,057,520	11,284,404
		49,279,949	46,927,034	45,696,935	43,334,163

Notes to the financial statements are set out on pages 64 to 112
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company comply with applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and the provisions of the Companies Act, 1965 in Malaysia.

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

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

(b) Changes in accounting policies

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following new FRSs, Amendments to FRSs and Issues Committee Interpretations ("IC Interpretations").

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 138	Intangible Assets [Consequential amendments arising from FRS 3 Business Combinations (as revised in 2010)]
Amendments to FRSs	Improvements to FRSs (2010)
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
IC Interpretation 4	Determining Whether an Arrangement contains a Lease

The above applicable new/revised FRSs, Amendments to FRSs and IC Interpretations did not have significant impact on the financial statements of the Group and the Company upon their initial application.

The following are the Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations which were effective but not applicable to the Group and the Company:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based payment [Consequential amendments arising from FRS 3 Business Combinations (as revised in 2010)]
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 15	Agreements for Construction of Real Estate
TR i – 4	Shariah Compliant Sale Contracts

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Revised FRSs, IC Interpretations and Amendments to IC Interpretations that are not yet effective:

The Group and the Company has not applied the following revised FRSs, IC Interpretations and Amendments to IC Interpretations that have been issued by MASB but are not yet effective:

Revised FRSs, IC Interpretations and Amendments to IC Interpretations		Effective for financial periods beginning on or after
FRS 124	Related Party Disclosures (revised)	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011

The above revised FRSs, IC Interpretations and Amendments to IC Interpretations are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

(d) New Malaysian Financial Reporting Framework

The MASB issued new MASB Approved Accounting Standards known as Malaysia Financial Reporting Standards ("MFRS" or "the MFRS framework") on 19 November 2011. The MFRS framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012.

Early adoption of the MFRS framework is permitted.

The Company will be required to prepare its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Company will quantify the financial impact of the differences between the current FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under MFRS framework upon its initial application.

(e) Significant accounting estimates and judgements

The preparation of financial statements in conformity 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 2011 were RM194,305,421 and RM196,229,338 (2010: RM160,321,873 and RM162,130,002), 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) Impairment of loans and receivables

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 2011 were RM86,593,163 and RM77,233,956 (2010: RM76,202,237 and RM79,667,164), respectively.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, a considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least once a year and at other times when such indicators exist. 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 2011 was RM864,854 (2010: RM864,854).

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iv) Income taxes

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

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

The carrying amounts of the Group's and Company's tax assets as at 31 December 2011 were RM14,551,647 and RM14,511,278 (2010: RM4,539,127 and RM4,539,127) respectively.

The carrying amounts of the Group's tax liabilities as at 31 December 2011 were RM60,968 (2010: RM91,401).

(f) 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 companies are stated at cost less impairment losses. Impairment losses are charged to the profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amounts of the subsidiaries disposed of is taken to profit or loss.

(g) Basis of consolidation

(i) Transactions eliminated on 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Basis of consolidation (Cont'd)

(ii) Accounting for business combinations

All subsidiary companies are consolidated on the acquisition 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.

The Group has changed its accounting policy with respect to accounting for business combinations.

From 1 January 2011 the Group has applied FRS3 Business Combinations (revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

The Group applied FRS 127 Consolidated and Separate Financial Statements (revised) since the beginning of the reporting period in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share. Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

In previous years, if the Group retained any interest in previous subsidiaries, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.

Goodwill is accounted for in accordance with the accounting policy set out in (k) below.

(iii) Non-controlling interests

Non-controlling interests at the end of a reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Since the beginning of the reporting period, the Group has applied FRS 127 Consolidated and Separate Financial Statements (revised) where losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have an impact on earnings per share.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Associated company

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. The cost of the investment includes transaction costs. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associated company disposed of is taken to profit or loss.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, investments 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 (n)(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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.

(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) Regular way purchase or sale of financial assets

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.

(iii) Financial instrument categories and subsequent measurement

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

<u>Financial assets</u>

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 financial guarantee contract or 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 profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

(iii) Financial instrument categories and subsequent measurement (cont'd)

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. Gains or losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired and through the amortisation process.

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. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process.

Available-for-sale financial assets

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

Transferable corporate club memberships and 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 profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from other comprehensive income into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see note 1(n)).

Financial liabilities

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 derivative that is a financial guarantee contract or 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 profit or loss.

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

(iv) 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 profit or loss.

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 profit or loss.

(v) 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 profit or loss.

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 profit or loss. Amounts taken to other comprehensive income are transferred to the profit or loss 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 profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

(v) Derivative financial instruments and hedging (cont'd)

Cash flow hedge (cont'd)

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 profit or loss.

(j) Property, plant and equipment

(i) Recognition and Measurement

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

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

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss 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 profit or loss.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Intangible asset – Goodwill

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identified assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value if the contingent consideration are recognised in profit or loss.

Acquisitions prior to 1 January 2011

For acquisition between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

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.

(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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 profit or loss to the extent of the cumulative impairment loss that has been recognised previously.

(n) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associated company) 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 loans and receivables is recognised in profit or loss 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 original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

Available-for-sale financial assets

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through profit or loss.

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 profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment (Cont'd)

(ii) Non-financial assets

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

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 profit or loss. 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 or groups of units on a pro-rata 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 amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(o) Share capital

Ordinary shares are recorded at nominal value and proceeds received in excess of the nominal value of shares issued, if any, 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 profit or loss.

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

(p) 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.

(q) 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 profit or loss 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) 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 profit or loss 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 profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(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 profit or loss as part of the gain or loss on disposal.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases

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

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

(t) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

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

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to the profit or loss 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 profit or loss as incurred.

(u) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Taxation

The tax expense in the profit or loss 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

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

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on tax rates enacted or substantively enacted by the 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 other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a difference period, directly to other comprehensive income.

(w) Cash equivalents

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

For the purposes of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts.

(x) Operating segment

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

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 YEAR ENDED 31 DECEMBER 2011

2. PROPERTY PLANT AND EQUIPMENT

Group
2011

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	Total RM
At 1 January	15,701,571	69,231,447	39,032,453	66,242,207	9,733,867	13,845,109	21,809,251	235,595,905
Additions	24,401	36,013,741	849,001	3,947,406	2,801,745	2,216,846	3,545,669	49,398,809
Disposals	-	-	-	(73,514)	(45,000)	(1,790)	-	(120,304)
Write-offs	-	-	-	-	(500)	-	-	(500)
Exchange differences	-	-	-	-	-	1,163	2,829	3,992
At 31December	15,725,972	105,245,188	39,881,454	70,116,099	12,490,112	16,061,328	25,357,749	284,877,902
Accumulated depreciation								
At 1 January	354,820	16,377,382	1,828,356	38,746,414	7,088,848	6,465,524	4,412,688	75,274,032
Charge for the year	186,540	1,362,851	496,270	8,419,502	1,118,703	1,474,883	2,329,358	15,388,107
Disposals	-	-	-	(45,509)	(45,000)	(398)	-	(90,907)
Write-offs	-	-	-	-	-	(488)	-	(488)
Exchange differences	-	-	-	-	-	652	1,085	1,737
At 31December	541,360	17,740,233	2,324,626	47,120,407	8,162,551	7,940,173	6,743,131	90,572,481
Net carrying amount								
At 31December	15,184,612	87,504,955	37,556,828	22,995,692	4,327,561	8,121,155	18,614,618	194,305,421

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

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 31December	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 31December	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 31December	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 YEAR ENDED 31 DECEMBER 2011

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company 2011	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	Total RM
Cost								
At 1 January	15,663,000	55,247,784	38,425,287	60,983,327	9,724,690	13,803,462	21,619,626	215,467,176
Additions	24,401	36,013,741	849,001	4,042,583	2,801,745	2,216,846	3,545,669	49,493,986
Disposals	-	-	-	(73,514)	(45,000)	(1,790)	-	(120,304)
At 31December	15,687,401	91,261,525	39,274,288	64,952,396	12,481,435	16,018,518	25,165,295	264,840,858
Accumulated depreciation								
At 1 January	316,249	1,921,430	1,140,930	32,116,950	7,082,063	6,442,123	4,317,429	53,337,174
Charge for the year	186,540	1,362,851	496,270	8,419,502	1,118,499	1,471,750	2,310,329	15,365,741
Disposals	-	-	-	(45,509)	(45,000)	(398)	-	(90,907)
Write-offs	-	-	-	-	-	(488)	-	(488)
At 31December	502,789	3,284,281	1,637,200	40,490,943	8,155,562	7,912,987	6,627,758	68,611,520
Net carrying amount At 31December	15,184,612	87,977,244	37,637,088	24,461,453	4,325,873	8,105,531	18,537,537	196,229,338

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 31December	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									
As previously	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 31December	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 31December	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 YEAR ENDED 31 DECEMBER 2011

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 2011 RM	2010 RM
Motor vehicles	1,098,433	1,279,630
Plant and machinery	-	169,257
	1,098,433	1,448,887

3. GOODWILL

	Group 2011 RM	2010 RM
Cost		
At 1 January/ 31 December	864,854	864,854
Accumulated impairment		
At 1 January/ 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 2011 RM	2010 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:

	2011	2010
Gross margin	51.56%	42.65%
Growth rate	5.00%	5.00%
Discount rate	10.20%	6.45%
Risk free rate	4.16%	6.00%

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

3. GOODWILL (CONT'D)

Recoverable amounts based on value in use (Cont'd)

(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	
	2011 RM	2010 RM
Unquoted shares at cost	14,262,565	14,262,565

Details of the subsidiary companies are as follows:

	Equity interest 2011 %	Equity interest 2010 %	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 forwarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Warehouse rental and trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Inactive
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		Company	
	2011 RM	2010 RM	2011 RM	2010 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	2,137,989	2,632,643	-	-
	5,137,989	5,632,643	3,000,000	3,000,000

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

	Equity interest		Principal activities
	2011 %	2010 %	
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Warehouse rental

The summarised unaudited financial information of the associated company not adjusted for the percentage ownership held by the Group are as follows:

	2011 RM	2010 RM
Assets and liabilities		
Total assets	12,668,084	13,758,712
Total liabilities	2,392,107	2,092,711
Results		
Revenue	2,257,200	2,257,200
Profit after tax for the year	1,237,388	1,304,467

6. OTHER INVESTMENTS

	Group/Company	
	2011 RM	2010 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
Impairment loss - unquoted shares	(19,999)	(19,999)
	1,225,104	1,225,104
Market value of shares quoted in Malaysia	12,300	16,000

7. INVENTORIES

Inventories represent parts and consumables at cost.

8. TRADE RECEIVABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Gross trade receivables	69,547,305	65,721,982	65,784,238	61,988,224
Less: Allowance for doubtful debts	(1,664,526)	(3,472,620)	(1,664,526)	(3,472,620)
	67,882,779	62,249,362	64,119,712	58,515,604

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	67,685,344	61,268,988	63,983,346	57,589,974
- United States Dollar	1,420,109	2,705,131	1,420,109	2,705,131
- Singapore Dollar	421,236	324,697	360,167	269,953
- Thai Baht	20,616	1,139,984	20,616	1,139,984
- Arab Emirates Dollar	-	283,182	-	283,182
	69,547,305	65,721,982	65,784,238	61,988,224

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.

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2011 RM	2010 RM
Trade accounts	2,272,254	1,632,193
Non-interest bearing advances	7,370,481	6,677,362
	9,642,735	8,309,555

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)

The amounts owing to subsidiary companies comprise:

	Company	
	2011 RM	2010 RM
Trade accounts	5,282,402	3,589,508
Non-interest bearing advances	24,215,043	23,861,524
Unpaid consideration for property, plant and equipment acquired	14,000,000	14,058,500
	43,497,445	41,509,532

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

The non-interest bearing advances and unpaid consideration for property, plant and equipment acquired are unsecured and payable on demand.

10. AMOUNTS OWING BY/TO RELATED COMPANIES

The amounts 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 amounts owing by related companies is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	4,794,863	5,690,394	4,794,863	5,690,394
- US Dollar	2,485,805	1,921,424	2,485,805	1,921,424
- Singapore Dollar	84,094	1,139,064	84,094	1,139,064
- Thai Baht	1,994,445	1,139,984	1,994,445	1,139,984
	9,359,207	9,890,866	9,359,207	9,890,866

Amount owing to related companies comprise:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade accounts	5,368,974	4,948,268	5,368,974	4,948,268
Management fees payable	59,099	156,698	59,099	156,698
Consultancy fees payable	13,851	175,484	13,851	175,484
	5,441,924	5,280,450	5,441,924	5,280,450

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

The currency exposure profile of amounts owing to related companies is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	4,805,012	4,948,268	4,805,012	4,948,268
- Singapore dollar	636,912	332,182	636,912	332,182
	5,441,924	5,280,450	5,441,924	5,280,450

11. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the Group's and of the Company's deposits range from 1.95% to 2.85% (2010: 1.80% to 2.60%) 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	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	17,406,235	13,995,312	14,131,050	10,402,441
- US Dollar	1,518,522	402,147	1,518,522	402,147
- Singapore Dollar	661,705	478,383	353,876	478,383
- Thai Baht	54,072	1,433	54,072	1,433
	19,640,534	14,877,275	16,057,520	11,284,404

13. SHARE CAPITAL

	Group/Company	
	2011 RM	2010 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 holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

The Company was given approval by Securities Commission to implement 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.

To-date, the Company has yet to implement the ESOS.

13. SHARE CAPITAL (CONT'D)

The main features of the ESOS proposed to be 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.

(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 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.

14. HIRE PURCHASE

	Group/Company 2011 RM	Group/Company 2010 RM
Total future instalments payable	635,222	706,449
Unexpired term charges	(29,734)	(31,656)
Total outstanding principal	605,488	674,793
Future instalments payable		
- not later than one year	316,773	441,321
- later than one year but not later than 5 years	318,449	265,128
Total future instalments payable	635,222	706,449

	Group/Company 2011 RM	Group/Company 2010 RM
Outstanding principal		
- not later than one year (included under current liabilities)	294,784	420,673
- later than one year but not later than 5 years (included under non-current liabilities)	310,704	254,120
Total outstanding principal	605,488	674,793

The effective interest rates of the hire purchase for the Group and for the Company are between 2.52% to 3.45% (2010: 4.54% to 5.88%) per annum.

15. BANK TERM LOANS

	Group/Company 2011 RM	Group/Company 2010 RM
The long term bank loans are repayable as follows:		
- not later than one year *(included under current liabilities)*	12,199,996	7,000,000
- later than one year but not later than five years *(included under non-current liabilities)*	30,117,553	17,458,494
	42,317,549	24,458,494

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

15. BANK TERM LOANS (CONT'D)

The details of the bank term loans are as follow:

Principal Amount (RM)	Monthly Installment (RM)	Commencing on	Interest rate per annum	2011 RM	2010 RM
16,800,000	280,000	1 September 2009	0.875% above KLIBOR	7,907,822	10,749,496
5,000,000	83,333	8 February 2010	0.875% above KLIBOR	2,820,210	3,692,363
5,200,000	86,667	16 March 2010	0.875% above KLIBOR	3,093,016	4,023,436
8,000,000	133,333	22 March 2010	0.875% above KLIBOR	4,607,269	5,993,199
3,000,000	50,000	25 February 2011	0.875% above KLIBOR	2,521,015	-
3,000,000	50,000	31 March 2011	0.875% above KLIBOR	2,571,435	-
1,500,000	25,000	29 August 2011	0.875% above KLIBOR	1,437,327	-
1,500,000	25,000	30 September 2011	0.875% above KLIBOR	1,462,994	-
3,000,000	50,000	29 April 2011	0.875% above KLIBOR	2,621,856	-
3,000,000	50,000	31 May 2011	0.875% above KLIBOR	2,672,276	-
3,000,000	50,000	29 June 2011	0.875% above KLIBOR	2,722,696	-
3,000,000	50,000	29 July 2011	0.875% above KLIBOR	2,823,321	-
1,500,000	25,000	31 October 2011	0.875% above KLIBOR	1,488,660	-
1,500,000	25,000	30 November 2011	0.875% above KLIBOR	1,514,327	-
2,000,000	33,333	20 December 2011	0.875% above KLIBOR	2,053,325	-
				42,317,549	24,458,494

16. DEFERRED TAX LIABILITIES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At beginning of the year	8,848,911	6,444,196	8,443,558	6,000,000
Transfer from/(to) profit or loss	4,255,676	2,404,715	4,269,442	2,443,558
At end of the year	13,104,587	8,848,911	12,713,000	8,443,558

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	12,767,028	8,891,927	12,842,305	8,895,216
- surplus on revaluation of land and buildings	466,864	408,642	-	-
- allowance for doubtful debts	-	(282,960)	-	(282,960)
- unpaid qualifying expenditure of hire purchase	(129,305)	(168,698)	(129,305)	(168,698)
	13,104,587	8,848,911	12,713,000	8,443,558

17. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	26,942,368	21,774,289	24,004,954	19,422,683
- US Dollar	201,258	304,480	201,258	304,480
- Thai Baht	123,933	13,801	123,933	13,801
- Japanese Yen	16,700	-	16,700	-
- Singapore Dollar	57,209	188,109	35,189	168,163
	27,341,468	22,280,679	24,382,034	19,909,127

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.

18. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unpaid consideration for property, plant and equipment acquired *(see note 27)*	179,700	-	179,700	-
Other sundry payables, deposits and accruals	14,839,642	15,889,553	13,725,404	13,342,899
Derivative financial liabilities	1,871,012	3,628,264	1,871,012	3,628,264
	16,890,354	19,517,817	15,776,116	16,971,163

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
- Ringgit Malaysia	15,019,342	15,889,553	13,905,104	13,342,899
- US Dollar	1,871,012	3,628,264	1,871,012	3,628,264
	16,890,354	19,517,817	15,776,116	16,971,163

19. 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.

20. REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Air freight forwarding	159,777,381	153,663,649	159,777,381	153,663,650
Customs forwarding	78,722,686	77,737,866	78,722,686	77,737,866
Warehousing	99,498,326	83,030,064	80,499,343	82,406,584
Container haulage	24,826,803	28,363,147	24,826,803	22,460,761
Trucking	68,099,293	65,920,191	70,615,796	62,688,225
Sea freight forwarding	30,583,501	29,688,005	30,583,501	29,688,005
Auto logistic services	5,263,913	2,667,238	5,263,913	2,667,238
Buyer consolidation services	2,438,891	2,291,839	2,438,891	2,291,840
	469,210,794	443,361,999	452,728,314	433,604,169

21. PROFIT FROM OPERATIONS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	133,546	106,200	80,000	75,000
- review of quarterly financial statements	-	39,000	-	39,000
Bad debt written off	215,094	-	215,904	-
Depreciation	15,388,107	13,721,946	15,365,741	13,613,231
Directors' remuneration				
- fees	192,650	167,400	192,650	167,400
- other emoluments	1,869,627	2,234,081	1,524,193	1,951,089
Property, plant and equipment written off	500	1,244,460	-	1,244,460
Realised loss on foreign exchange	329,875	475,146	329,875	475,146
Operating lease				
- Minimum lease payments for				
- land and buildings	6,305,852	6,092,019	6,301,653	5,889,676
- trucks	5,250,553	6,215,915	2,908,698	2,181,313
- forklifts	1,220,181	1,235,833	1,220,181	1,235,833
- office equipment	679,993	679,748	679,993	679,748
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	20,641	353,560	20,641	163,500
- assets held for sales	-	639,183	-	639,183
Unrealised gain on foreign exchange	344,560	-	344,560	-
Operating lease income from				
- land and buildings	461,858	236,065	461,858	236,065

22. OTHER INCOME

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Gross dividends from				
- an associated company	-	-	1,088,587	1,088,587
- unquoted investments	38,467	37,457	38,467	37,457
Interest income	671,490	377,002	671,490	377,002
Gain on disposal of property, plant and equipment	20,641	992,683	20,641	802,683
Rental income	461,858	236,045	461,858	236,045
Sundry income	671,435	3,232,455	593,566	3,137,719
	1,863,891	4,875,642	2,874,609	5,679,493

23. FINANCE COSTS

	Group/Company 2011 RM	2010 RM
Interest paid and payable on		
- hire purchase	32,819	30,568
- term loans	1,406,094	959,497
	1,438,913	990,065

24. TAX EXPENSE

	Group 2011 RM	2010 RM	Company 2011 RM	2010 RM
Malaysian tax based on results for the year				
- current	4,631,233	6,666,202	3,970,000	5,888,124
- deferred	1,465,682	1,807,060	1,485,249	1,845,903
	6,096,915	8,473,262	5,455,249	7,734,027
(Over)/Underprovision in prior years				
- current	(6,198,795)	(1,122,540)	(6,187,268)	(1,103,682)
- deferred	2,789,994	597,655	2,784,193	597,655
	2,688,114	7,948,377	2,052,174	7,228,000

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 2011 RM	2010 RM	Company 2011 RM	2010 RM
Accounting profit	36,770,540	32,161,873	35,807,450	30,544,479
Taxation at applicable statutory tax rate	9,192,635	8,040,468	8,951,863	7,636,120
Tax effects arising from:				
- non-deductible expenses	898,684	1,343,538	880,886	1,320,725
- non-taxable income	(231,754)	(998,186)	(229,532)	(950,671)
- tax exempt dividend	-	-	(272,147)	(272,147)
Originating from deferred tax assets not recognised	75,719	66,867	-	-
Effect of different tax rate in another country	37,452	20,575	-	-
Overprovision in prior years	(3,408,801)	(524,885)	(3,403,075)	(506,027)
Utilisation of investment tax allowance	(3,875,821)	-	(3,875,821)	-
	2,688,114	7,948,377	2,052,174	7,228,000

24. TAX EXPENSE (CONT'D)

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	
	2011 RM	2010 RM	2011 RM	2010 RM
Unabsorbed tax losses	340,681	1,506,845	-	-

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 retained earnings of the Company is available for distribution by way of dividends.

25. 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 RM34,590,436 (2010: RM24,775,855) by the number of shares in issue of 100,000,000 (2010: 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.

26. DIVIDEND

	2011 RM	2010 RM
In respect of the year ended 31 December 2010		
Final dividend:-		
Tax exempt portion of 4.60 sen per ordinary shares of RM1.00	4,600,000	-
Franked portion of 4.53 sen less 25% tax per ordinary share of RM1.00	3,397,504	-
Tax exempt dividend of 3.00 sen per ordinary share of RM1.00	-	3,000,000
	7,997,504	3,000,000

In respect of the financial year ended 31 December 2011, the directors have recommended a final dividend as follows:

	Gross (sen) Per share	Net (sen) Per share
Tax exempt dividend	1.30	1.30
Franked dividend less 25% tax	11.60	8.70
Total	12.90	10.00

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Aggregate cost of property, plant and equipment acquired	49,398,809	27,834,314	49,493,986	27,831,772
Cost of land swaped	-	(1,652,366)	-	(1,652,366)
Financed via hire purchase and finance lease	(492,025)	(474,312)	(492,025)	(474,312)
Unpaid balance included under other payables, deposits and accruals *(see note 18)*	(179,700)	-	(179,700)	-
Cash paid in respect of the previous year's acquisition	-	12,706,552	-	12,457,552
Total cash paid during the financial year	48,727,084	38,414,188	48,822,261	38,162,646

28. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Net carrying amount of property, plant and equipment disposed of	28,909	-	28,909	-
Gain on disposal	20,641	353,560	20,641	163,500
Total cash received during the financial year	49,550	353,560	49,550	163,500

29. PROCEEDS FROM DISPOSAL OF ASSET HELD FOR SALES

	Group/Company	
	2011 RM	2010 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

30. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Employee benefits expense	58,993,314	49,462,405	45,691,038	38,665,145

Included in the employee benefits expense are EPF contributions amounting to RM3,874,012 (2010: RM3,170,808) for the Group and RM2,826,047 (2010: RM2,347,293) for the Company.

31. RELATED PARTY DISCLOSURES

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

	Transaction value Company		Balance outstanding Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Transactions with subsidiary companies				
Rental of trucks paid and payable	473,720	483,720	66,090	25,500
Labour charges paid and payable	13,554,049	10,873,058	2,663,341	704,735
Maintenance charges paid and payable	4,931,661	4,299,422	2,188,055	1,294,226
Handling fees paid and payable	640,029	619,935	154,699	-
Handling fees received and receivable	58,780	-	6,243	-
Related logistic services paid	6,000	6,000	6,000	6,000
Related logistics services received and receivable	5,955,578	5,935,925	1,538,296	1,620,136
Rental of premises received	2,800	5,250	650	-
Rental of trucks received and receivable	253,086	556,941	-	50,631
Purchase of property, plant and equipment	20,000	-	20,000	-
Warehouse rental received and receivables	-	558,000	-	-

31. RELATED PARTY DISCLOSURES (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM	2011 RM	2010 RM
Transactions with related companies								
Related logistic services received and receivable	70,853,668	64,809,880	70,853,668	64,809,880	9,359,207	9,890,866	9,359,207	9,890,866
Related logistic services paid and payable	50,156,811	58,901,130	50,156,811	58,901,130	5,368,974	1,626,136	5,368,974	1,626,136
Management fee paid and payable	261,126	332,768	261,126	332,768	59,099	224,592	59,099	224,592
Consultancy fees paid and payable	455,078	519,622	455,078	519,622	13,851	9,374	13,851	9,374
Rental received	300,000	233,065	300,000	233,065	-	-	-	-
Transactions with associated company								
Rental of premises paid and payable	1,128,600	1,128,600	1,128,600	1,128,600	312,963	604,313	312,963	604,313
Accounting fee received and receivable	19,200	-	19,200	-	19,200	-	19,200	-

31. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors				
Short-term employee benefits				
- salary, bonus and allowances	1,759,543	2,081,706	1,414,109	1,798,714
Post-employment benefits				
- EPF	110,084	152,375	110,084	152,375
	1,869,627	2,234,081	1,524,193	1,951,089
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	1,801,636	2,172,512	1,801,636	2,172,512
Post-employment benefits				
- EPF	182,404	194,649	182,404	194,649
	1,984,040	2,367,161	1,984,040	2,367,161
Total compensation	3,853,667	4,601,242	3,508,233	4,318,250

32. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases a number of land and buildings and warehouses from its associated company and third parties under cancellable operating lease arrangements. These leases typically run for an initial period of 1 to 2 years with the option to renew. 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		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Not later than one year	6,147,314	2,034,622	5,993,370	1,848,600
Later than one year but not later than 5 years	5,068,608	3,697,200	5,068,608	3,697,200
	11,215,922	5,731,822	11,061,978	5,545,800

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.

33. OTHER COMMITMENTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Authorised and contracted for				
- acquisition of property, plant and equipment	2,369,680	1,094,861	2,369,680	1,094,861

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2011 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	67,882,779	-	67,882,779
Other receivables excluding prepayment	2,661,050	-	2,661,050
Amount owing by related companies	9,359,207	-	9,359,207
Fixed deposits with a licensed bank	29,639,415	-	29,639,415
Cash and bank balances	19,640,534	-	19,640,534
Total financial assets	129,182,985	1,225,104	130,408,089

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

34. FINANCIAL INSTRUMENTS (CONT'D)

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

2011 **Group**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	27,341,468
Other payables and accruals and derivatives	16,890,354
Amounts owing to related companies	5,441,924
Amount owing to associated company	322,163
Bank term loan	42,317,549
Hire purchase and finance lease liabilities	605,488
Total financial liabilities	92,918,946

2010 **Group**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	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

2011 **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	64,119,712	-	64,119,712
Other receivables excluding prepayment	2,104,640	-	2,104,640
Amount owing by subsidiaries companies	9,642,735	-	9,642,735
Amounts owing by related companies	9,359,207	-	9,359,207
Fixed deposits with a licensed bank	29,639,415	-	29,639,415
Cash and bank balances	16,057,520	-	16,057,520
Total financial assets	130,923,229	1,225,104	132,148,333

34. 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

2011 Company	**At amortised cost RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	24,382,034
Other payables and accruals and derivatives	15,776,116
Amounts owing to subsidiary companies	43,497,445
Amounts owing to related companies	5,441,924
Amount owing to associated company	322,163
Bank term loan	42,317,549
Hire purchase and finance lease liabilities	605,488
Total financial liabilities	132,342,719

2010 Company	**At amortised cost RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	19,909,127
Other payables and accruals and derivatives	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

34. FINANCIAL INSTRUMENTS (CONT'D)

(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**
2011		
Other investments		
Shares quoted in Malaysia	26,000	12,300
Unquoted shares	367,700	*
Transferable corporate club memberships	851,403	*
Derivative financial liabilities	1,871,012	1,871,012
Unsecured bank loan	42,317,549	45,774,345
2010		
Other investments		
Shares quoted in Malaysia	26,000	16,600
Unquoted shares	367,700	*
Transferable corporate club memberships	851,403	*
Derivative financial liabilities	3,628,264	3,628,264
Unsecured bank loan	24,458,494	20,830,230

* It is not practical to estimate the fair value of the unquoted shares and the transferable corporate club memberships due to lack of comparable quoted market prices and inability to estimate fair value without incurring excessive costs. 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.

(c) Fair value hierarchy

Comparative figure have not been presented for 31 December 2010 by virtue of paragraph 44G of FRS 7.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value hierarchy (Cont'd)

2011 Group/Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets				
Derivative financial liabilities	-	1,871,012	-	1,871,012

35. 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 profit or loss.

The currency exposures are disclosed in the respective notes to the financial statements.

A sensitivity analysis has been performed based on the outstanding foreign currency denominated monetary items of the Group as at reporting date. If the US Dollar strengthen or weaken by 5% against the Company's functional currency with all other variables held constant, the Company profit after tax and equity would increase or decrease by RM11,585.

The other foreign currency denominated monetary items as at reporting date are not material, hence the sensitivity analysis has not been presented.

35. 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 and finance lease liabilities and bank 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 2011. 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 RM180,142, 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.

As at the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

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

	Group		Company	
2011	**Gross RM**	**Impairment RM**	**Gross RM**	**Impairment RM**
Not past due	33,632,172	-	31,551,106	-
Less than 30 days past due	19,369,578	-	18,584,972	-
Between 30 and 90 days past due	9,315,552	-	8,440,792	-
More than 90 days past due	7,230,003	(1,664,526)	7,207,368	(1,664,526)
	69,547,305	(1,664,526)	65,784,238	(1,664,526)
* Amount owing by related companies under current asset	9,359,207	-	9,359,207	-

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

	Group		Company	
2010	**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	9,890,866	-	9,890,866	-

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

	Group RM	Company RM
At 1 January	3,472,620	3,472,620
Doubtful debts written off	(1,808,094)	(1,808,094)
At 31 December	1,664,526	1,664,526

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

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.

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

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

2011	Less than 1 years RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	27,341,468	-	-	27,341,468
Other payables, deposit and accruals	16,890,354	-	-	16,890,354
Amount owing to related companies	5,441,924	-	-	5,441,924
Amount owing to an associated company	322,163	-	-	322,163
Hire purchase and finance lease liabilities	316,773	318,449	-	635,222
Borrowings	12,673,356	31,121,284	-	43,794,640
Total undiscounted financial liabilities	62,986,038	31,439,733	-	94,425,771

2011	Less than 1 years RM	1 to 5 years RM	More than 5 years RM	Total RM
Company				
Trade payables	24,382,034	-	-	24,382,034
Other payables, deposit and accruals	15,776,116	-	-	15,776,116
Amount owing to subsidiary companies	43,497,445	-	-	43,497,445
Amount owing to related companies	5,441,924	-	-	5,441,924
Amount owing to an associated company	322,163	-	-	322,163
Hire purchase and finance lease liabilities	316,773	318,449	-	635,222
Borrowings	12,673,356	31,121,284	-	43,794,640
Total undiscounted financial liabilities	102,409,811	31,439,733	-	133,849,544

2010	Less than 1 years 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 an 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

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

2010	Less than 1 years RM	1 to 5 years RM	More than 5 years RM	Total RM
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 an 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

36. CAPITAL MANAGEMENT

The Group's primary objectives when managing its capital are to safeguard the Group's ability to continue as a going concern and to provide adequate 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 optimising 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 2011 and 2010 was as follow:

	2011 RM	2010 RM
Share capital	100,000,000	100,000,000
Reserves	140,714,365	113,763,433
Total equity	240,714,365	213,763,433
Hire purchase liabilities	605,488	674,793
Short term borrowings	12,199,996	7,000,000
Long term borrowings	30,117,553	17,458,494
Total debt	42,923 037	25,133,287
Total debt to equity ratio (times)	0.18	0.12

37. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

(i) International Air Freight Division ("IAFD")	- Airfreight forwarding
(ii) Contract Logistics Division ("CLD")	- Customs forwarding, warehousing,container haulage and Auto Logistic services
(iii) Trucking Division ("TD")	- Trucking
(iv) International Sea Freight Division ("ISFD")	- Sea freight forwarding
(v) 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.

2011	IAFD RM	CLD RM	TD RM	ISFD RM	INSD RM	Consolidated RM
REVENUE						
External sales	159,777,381	208,327,575	68,083,446	30,583,501	2,438,891	469,210,794
RESULTS						
Segment results	3,600,234	30,917,576	3,928,546	1,057,093	163,579	39,667,028
Unallocated corporate expense						(1,457,575)
Profit from operations						38,209,453
Share of associated company's profits						593,934
Finance costs						(1,438,913)
Profit before tax						37,364,474
Tax expense						(2,688,114)
Profit for the year						34,676,360

2010	IAFD RM	CLD RM	TD RM	ISFD RM	INSD RM	Consolidated RM
REVENUE						
External sales	153,663,649	191,798,315	65,920,191	29,688,005	2,291,839	443,361,999
RESULTS						
Segment results	2,257,082	20,709,230	7,689,202	2,665,265	161,375	33,482,154
Unallocated corporate expense						(330,216)
Profit from operations						33,151,938
Share of associated company's 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

37. 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.

38. CHANGES IN COMPARATIVES

The following comparative amounts for the financial year ended 31 December 2011 have been reclassified to conform with current year's presentation:

Statement of Comprehensive Income

Group	As previously reported RM	Reclassification RM	As restated RM
Profit from investing activities	414,459	(414,459)	-
Other operating income	4,461,183	414,459	4,875,642

Company	As previously reported RM	Reclassification RM	As restated RM
Profit from investing activities	1,503,046	(1,503,046)	-
Other operating income	4,176,447	1,503,046	5,679,493

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 22 February 2012.

40. 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 or 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, into realised and unrealised profits/losses, pursuant to the directive, is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Total retained profits of the Company and its subsidiaries:-				
- Realised	157,850,874	126,327,164	128,659,574	98,632,360
- Unrealised	(12,715,349)	(8,440,268)	(12,713,000)	(8,443,558)
	145,135,525	117,886,896	115,946,574	90,188,802
Total shares of retained profits from associated companies:-				
- Realised	2,137,989	2,632,643	-	-
- Unrealised	-	-	-	-
	147,273,514	120,519,539	115,946,574	90,188,802
Less: Consolidation adjustments	(8,438,898)	(8,277,855)	-	-
Total Group's and Company's retained profits as per statements of financial position	138,834,616	112,241,684	115,946,574	90,188,802

The determination of realised and unrealised profits or 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

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

In the opinion of the directors, the financial statements set out on pages 64 to 112 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 2011 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 40 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 22 February 2012

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 64 to 112 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 22 February 2012	)	
	)	
	)	
	)	TAN KIM YONG

Before me:
KANAPATHY A/L A.MANICKAM, PPN
W452

Commissioner for Oaths

LIST OF PROPERTIES

No.	Location	Description	Existing Use	Tenure of land/ Date of expiry of lease	Land Area/ Built up Area (sq. m)	Approximate Age of Properties	Date Acquired	Net Book Value At 31.12.2011 (RM'000)
1	Shah Alam Lot No. 1A, Persiran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor	Industrial Land	Corporate Head Office, Shah Alam Logistics Centre and Shah Alam Truck Freight Station	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 35,286	23 years	30 Jun 2009	59,371
			Warehouse F		Built-up 16,800	Less than 1 year		
2	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi, Selangor	Industrial Land	Bangi Auto Logistics Centre Bangi Logistics Centre 2	Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119 Built-up - 19,584	4 years 1 year	25 May 2004	30,762
	Bandar Baru Bangi Lot 46864 (PT 61734), Seksyen 10 43650 Bandar Baru Bangi, Selangor	Industrial Land	Access road	Leasehold 99 years expiring 19.08.2098	Land - 450	NA	27 May 2004	87
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 99years expiring 23.10.2110	Land - 20,611 Built-up- 9,282	20 years	18 Jul 2008	14,390
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	20 years	19 Feb 2008	12,689
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	5 years	04 Jun 2008	7,572
6	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	38 years	11 Feb 2008	6,275
7	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	2 years	01 Apr 2010	5,235
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	4 years	11 Jan 2007	3,676
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	21 years	22 May 1991	189

ANALYSIS OF SHAREHOLDINGS

AS AT 13 APRIL 2012

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	3	60	0.00
100 to 1,000 shares	278	245,000	0.25
1,001 to 10,000 shares	977	4,729,140	4.73
10,001 to 100,000 shares	298	9,822,100	9.82
100,001 to less than 5% of issued shares	48	42,374,050	42.37
5% and above of issued shares	3	42,829,650	42.83
Total	**1,607**	**100,000,000**	**100.00**

LIST OF 30 LARGEST SHAREHOLDERS

Name of Shareholders	No. of shares	%
1. Yusen Logistics (Singapore) Pte Ltd	18,230,241	18.23
2. Yusen Logistics Co. Ltd	18,009,818	18.01
3. Nippon Yusen Kabushiki Kaisha	6,589,591	6.59
4. Hachiuma Steamship Co. Ltd	3,000,000	3.00
5. Nippon Yusen Kabushiki Kaisha	3,000,000	3.00
6. Yusen Logistics (Singapore) Pte Ltd	3,000,000	3.00
7. Yusen Logistics Co. Ltd	3,000,000	3.00
8. Yusen Logistics Co. Ltd	3,000,000	3.00
9. Yusen Logistics Co. Ltd	3,000,000	3.00
10. Yusen Logistics (Singapore) Pte Ltd	2,759,941	2.76
11. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
12. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
13. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
14. Real Fortune Portfolio Sdn Bhd	2,000,000	2.00
15. Real Fortune Portfolio Sdn Bhd	1,830,438	1.83
16. Hachiuma Steamship Co. Ltd	1,379,971	1.38
17. RHB Capital Nominees (Tempatan) Sdn Bhd *Lau Peng Kee @ Low Peng Pooi*	800,000	0.80
18. HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Bakat Impian Sdn Bhd*	770,800	0.77
19. Affin Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ng Hoe Peng @ Ng Swee Chun (NGH0214C)*	735,000	0.74
20. RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Yoong Nyock (CEB)*	666,100	0.67
21. AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Ong Yoong Nyock (8039533)*	624,200	0.62

LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of shares	%
22. Lau Peng Kee @ Low Peng Pooi	543,000	0.54
23. Mercsec Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Renitrans Sdn Bhd*	520,900	0.52
24. Christopher Ng Huar Tag	410,000	0.41
25. Yeo Khee Huat	378,000	0.38
26. CIMB Commerce Trustee Berhad *Exempt An For Philip Capital Management Sdn Bhd*	341,000	0.34
27. CIMB Commerce Trustee Berhad *Exempt An For Employees Provident Fund (PCM)*	314,700	0.31
28. Nahoorammah A/P Sithamparam Pillay	300,000	0.30
29. RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Foong Siling (CEB)*	300,000	0.30
30. Chong Yee Vui	255,000	0.26
Total	**81,758,700**	**81.76**

SUBSTANTIAL SHAREHOLDERS

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

Name of Shareholders	Direct	%	Indirect	%
1. Yusen Logistics Co. Ltd	27,009,818	27.01	23,990,182[1]	23.99
2. Yusen Logistics (Singapore) Pte Ltd	23,990,182	23.99	-	-
3. Nippon Yusen Kabushiki Kaisha	9,589,591	9.59	55,379,971[2]	55.38
4. Real Fortune Portfolio Sdn Bhd	9,830,438	9.83	-	-
5. Hachiuma Steamship Co. Ltd	4,379,971	4.38	-	-
6. 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 Interest	%	Indirect Interest	%
1. Lee Check Poh	-	-	9,830,438[3]	9.83
2. Tan Kim Yong	69,900	0.07	-	-
3. Lim 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 Yusen Logistics (Singapore) Pte Ltd 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 and Hachiuma Steamship Co Ltd'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

		Country	Group Effective Interest % 2010	Group Effective Interest % 2011	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

	Country	Group Effective Interest % 2010	Group Effective Interest % 2011	Principal Activities
1. Agate Electro Supplies Sdn Bhd	Malaysia	50.00	50.00	Warehouse rental

NOTICE OF THIRTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh 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, 13 June 2012 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 2011 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the payment of a tax exempt final dividend of 1.30 sen and franked final dividend of 11.60 sen less 25% tax in respect of the financial year ended 31 December 2011. **Ordinary Resolution 2**

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

   3.1 Tan Sri Asmat Bin Kamaludin **Ordinary Resolution 3**
   3.2 Raymond Cha Kar Siang **Ordinary Resolution 4**
   3.3 Tomoaki Handa **Ordinary Resolution 5**

4. To re-elect Mr. Muneaki Saito who retires pursuant to Article 83 of the Company's Articles of Association. **Ordinary Resolution 6**

5. To re-appoint Messrs Mazars as Auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 7**

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 8**

   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 21 May 2012 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;

NOTICE OF THIRTY-SEVENTH ANNUAL GENERAL MEETING (CONT'D)

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."

7. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 9**

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

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a tax exempt final dividend of 1.30 sen and franked final dividend of 11.60 sen less 25% tax in respect of the financial year ended 31 December 2011, if approved by the shareholders, will be paid on 12 July 2012 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 28 June 2012.

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

(a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 28 June 2012 in respect of transfers; and

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

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
LOH LAI LING
Secretaries

Petaling Jaya
Date: 21 May 2012

Notes:

1. Only depositor whose names appear in the Record of Depositors as at 7 June 2012 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

2. 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.

3. 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.

4. 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.

5. 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 802, 8th 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.

6. Explanatory Notes on Special Business:

   Ordinary Resolution 8
   Proposed Renewal of Shareholders' Mandate for Recurrent Transactions

   The Ordinary Resolution 8 proposed under item 6, if passed, will allow the Company and its subsidiaries to enter into Recurrent Transactions pursuant to Paragraph 10.09 of the Listing Requirements. Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions is set out in Section 2.3.2 of the Circular to Shareholders dated 21 May 2012, which is despatched together with the Company's Annual Report 2011.

   Ordinary Resolution 9
   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 9, 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.

Proxy Form

TASCO Berhad (20218-T)
(Incorporated in Malaysia)

TASCO
NYK GROUP COMPANY

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-Seventh Annual General Meeting of the Company to be held at Lot No. 1A, Persiaran Jubli Perak, Jalan 22/1, Section 22, 40300 Shah Alam, Selangor Darul Ehsan on Wednesday, 13 June 2012 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		

Dated:

Number of shares held	

____
Signature/Common Seal of Shareholder(s)

Notes:-

1. Only depositor whose names appear in the Record of Depositors as at 7 June 2012 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.

2. 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.

3. 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.

4. 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.

5. 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 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

Fold this flap for sealing

Then fold here

Affix
Stamp

THE COMPANY SECRETARY
TASCO Berhad (20218-T)

802, 8TH FLOOR, BLOCK C,
KELANA SQUARE
17 JALAN SS7/26
47301 PETALING JAYA
SELANGOR DARUL EHSAN.

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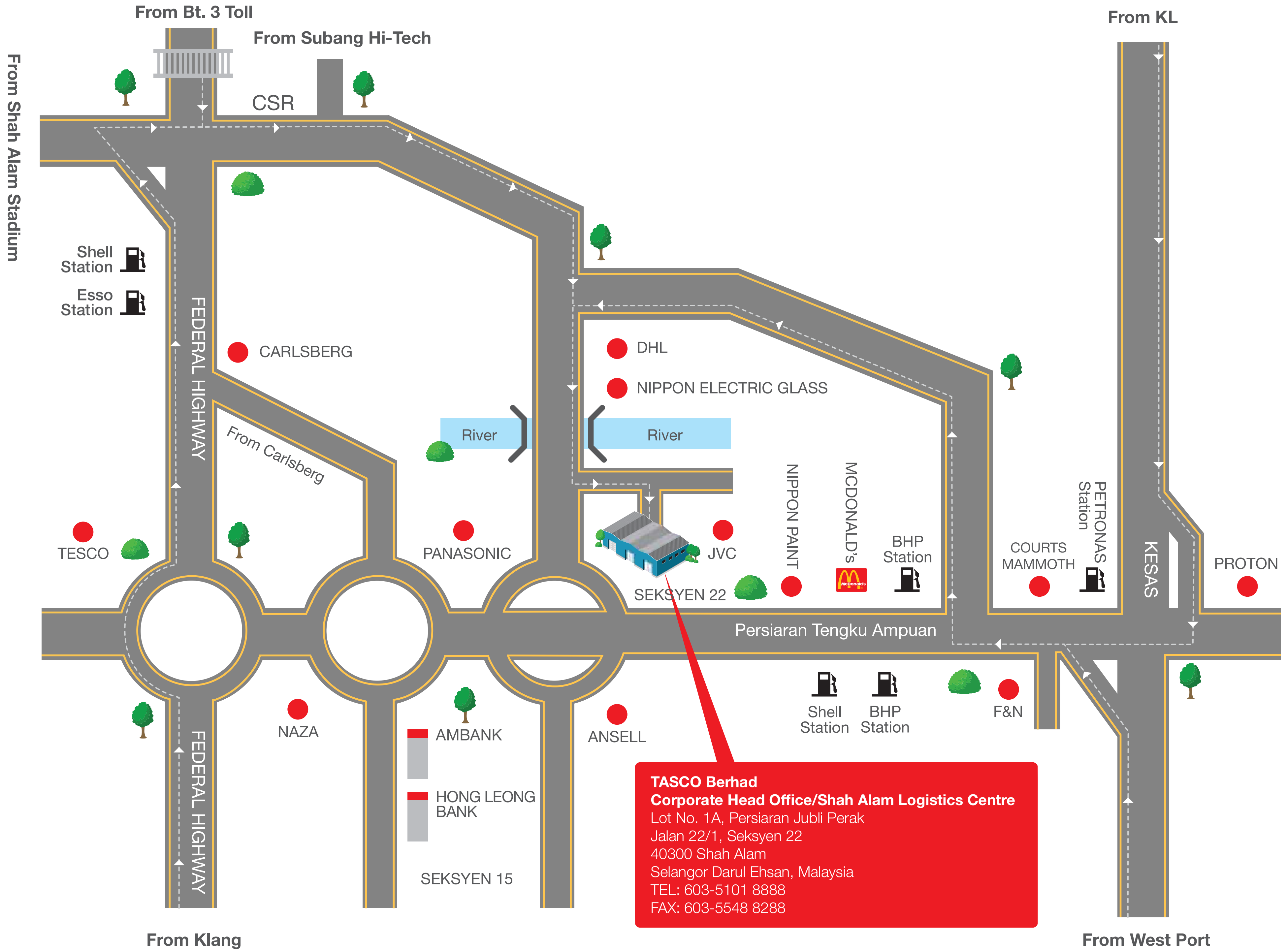

TASCO Berhad
Corporate Head Office/Shah Alam Logistics Centre
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Jalan 22/1, Seksyen 22
40300 Shah Alam
Selangor Darul Ehsan, Malaysia
TEL: 603-5101 8888
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