MOVING FORWARD

TASCO
NYK GROUP COMPANY

Annual Report **2014**

CONTENTS

Overview

Corporate Section

Financial Statements

Others

Cautionary Statement With Regard To Forward - Looking Statements

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

OUR VISION, MISSION & VALUES

OUR VISION

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

OUR MISSION

To deliver measurable benefits to customers by providing worldclass 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

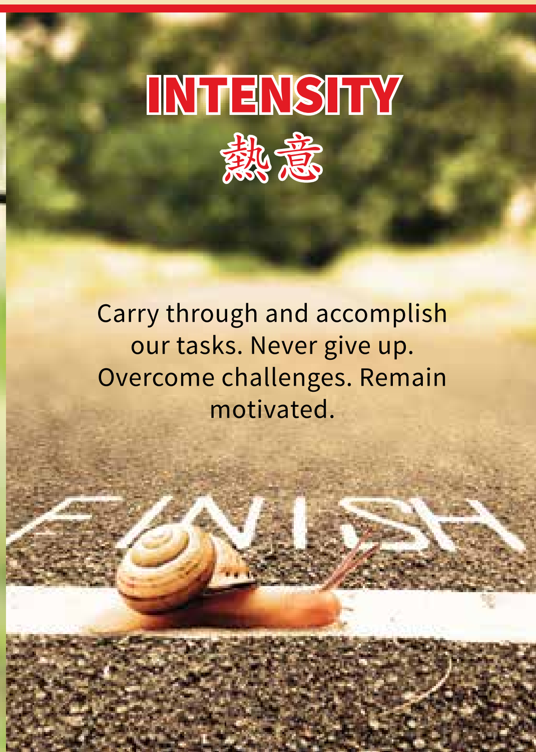
A set of previously unwritten principles that have been a part of our culture for over 30 years - the corporate spirit that we have come to cherish over these decades- codifying strengths that have made us what we are today and will keep us a truly global company filled with talented individuals who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

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

DOMESTIC LOGISTICS SOLUTIONS

TASCO

CONTRACT LOGISTICS DIVISION

- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services
- CBU Auto Logistics Services

HARIMAU EXPRESS

TRUCKING DIVISION

- Domestic Trucking
- Cross Border Trucking

ABOUT TASCO BERHAD ("TASCO")

TASCO was incorporated on 10 September 1974 and listed on the Main Market of Bursa Malaysia Securities Berhad on 28 December 2007. TASCO is a subsidiary of Yusen Logistics Co. Ltd., which in turn is a subsidiary of Nippon Yusen Kabushiki Kaisha.

TASCO has 25 logistics centres and more than 1,500 employees in Malaysia. It is also affiliated with more than 400 logistics bases and 30,000 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.

OUR COMPANY PROFILES

INTERNATIONAL LOGISTICS SOLUTIONS

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**

About Nippon Yusen Kabushiki Kaisha ("NYK")

- NYK is listed on the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange;
- NYK has more than 30,000 employees worldwide; and
- NYK's major businesses consist of global logistics based on international marine transportation business, cruises, terminal; and harbor transport, shipping-related services and real estate.

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

- YLK is listed on the Tokyo Stock Exchange and is a subsidiary of NYK;
- YLK has more than 400 logistics bases and 16,000 employees worldwide;
- YLK is one of the leading international air freight forwarders in Japan; and
- Pursuant to a corporate 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.

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

LOGISTICS CENTRES

PENINSULAR MALAYSIA

Northern Region
01. Padang Besar Logistics Centre
02. Penang Prai Logistics Centre
03. Penang Air Freight Logistics Centre

Central Region
04. Ipoh Logistics Centre
05. Port Klang Logistics Centre I
06. Port Klang Logistics Centre II
07. Port Klang Pre-Delivery Inspection
08. Port Klang Container Depot
09. Shah Alam Logistics Centre
10. North Port Logistics Centre
11. Sungai Way Logistics Centre
12. Bangi Container Depot
13. Bangi Pre-Delivery Inspection
14. Bangi Logistics Centre I
15. Bangi Logistics Centre II

DOMESTIC NETWORK

"With
25 Logistics Centres &
more than
1,500 Employees
in Malaysia"

16. KLIA Air Freight Logistics Centre
17. Kuantan Port Logistics Centre
18. Melaka Logistics Centre

Southern Region

19. Pasir Gudang Logistics Centre
20. Tanjung Pelepas Logistics Centre
21. Johor Bahru Causeway Office
22. Senai Seelong Logistics Centre

EAST MALAYSIA

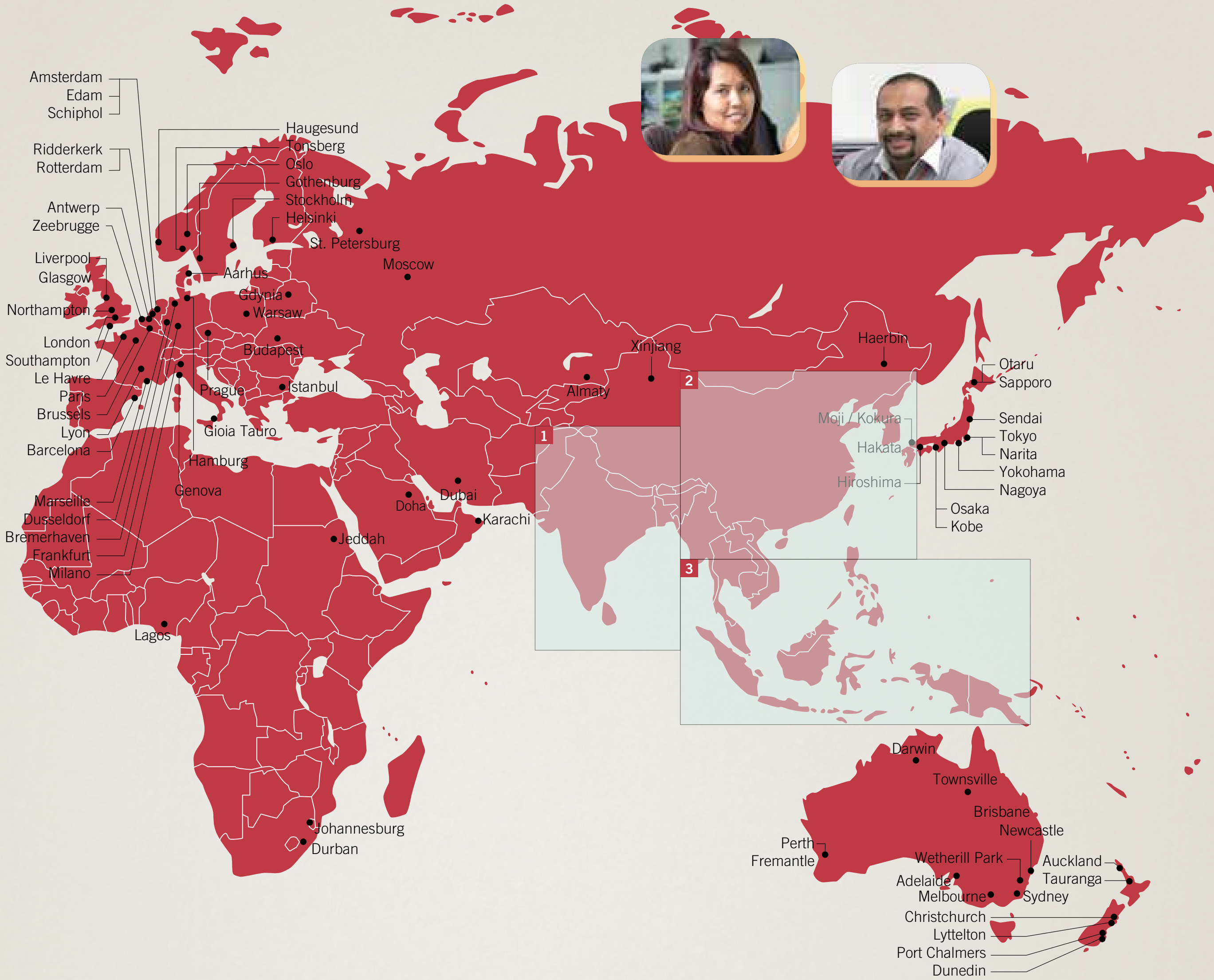
23. Kuching Logistics Centre
24. Kota Kinabalu Logistics Centre

SINGAPORE

25. Singapore Truck Freight Centre

A GROWING PRESENCE OF NYK ACROSS THE WORLD

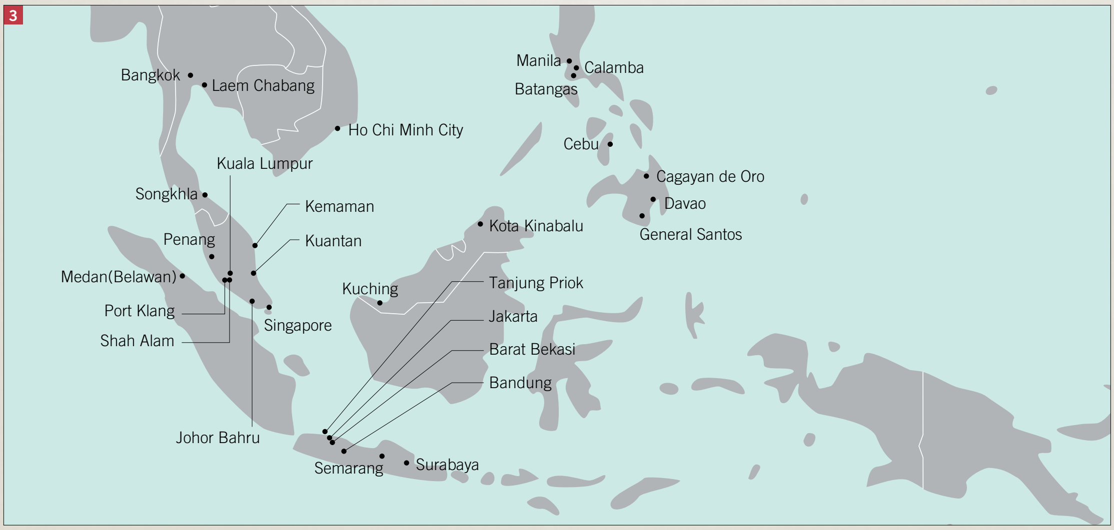
The NYK Group—Operating Worldwide



● Main NYK Group Offices

A GROWING PRESENCE OF NYK ACROSS THE WORLD

"More than
400 Logistics Bases &
more than
30,000 Employees
Worldwide"



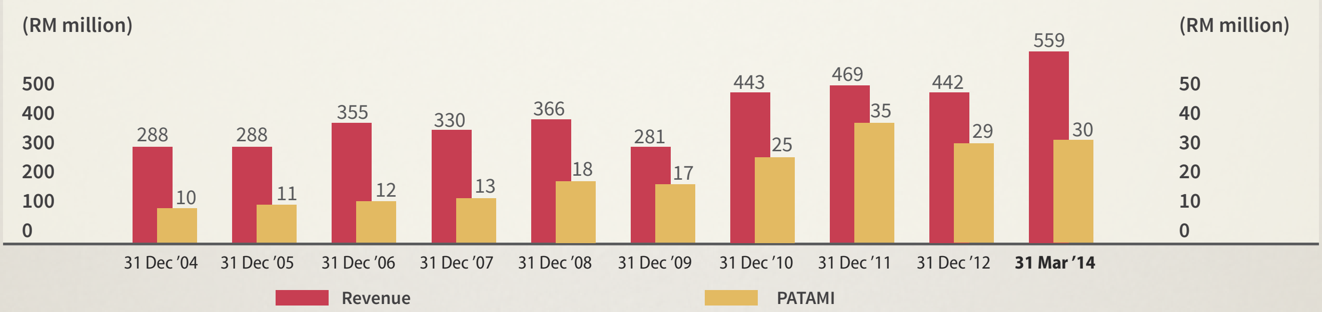
CONSOLIDATED FINANCIAL HIGHLIGHTS

Year/Period Ended	31 Dec '04	31 Dec '05	31 Dec '06	31 Dec '07
Results of operation (RM'000)				
Revenue	288, 313	288, 045	354, 855	329, 844
PBTAMI[1]	14, 485	14, 578	16, 953	18, 312
PATAMI[2]	9,975	10, 711	12, 381	13, 157
Capital expenditures	18, 009	17, 789	12, 157	14, 663
Financial position at year/period end (RM'000)				
Share capital (ordinary shares of RM1.00 each)	5, 000	45, 000	45, 000	100, 000
Total assets	134, 929	153, 303	170, 207	208, 476
Cash and bank balances	27, 211	27, 206	36, 812	62, 187
Total liabilities	38, 017	45, 679	50, 161	49, 251
Total borrowings	6, 483	12, 022	9, 699	6, 951
Shareholder equity	96, 722	107, 432	119, 825	158, 982
Amount per share (sen)				
Earnings per share[3]	9.98	10.71	12.38	13.16
Dividend per share (Annual)[4]	-	-	-	-
Ratios (%)				
Shareholder equity ratio	71.7	70.1	70.4	76.3
Return on equity	10.3	10.0	10.3	8.3
Return on assets	7.4	7.0	7.3	6.3
Current ratio	242.9	231.9	229.5	291.8
Gearing ratio	6.7	11.2	8.1	4.4
Dividend payout ratio[5]	-	-	-	-

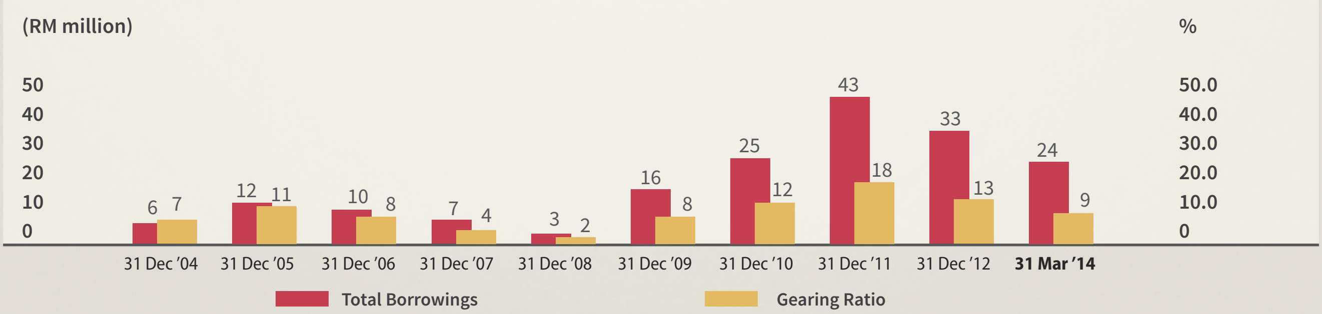
Notes :

1 Profit before taxation after minority interest.
2 Profit after taxation after minority interest.
3 Calculated based on the total issued 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



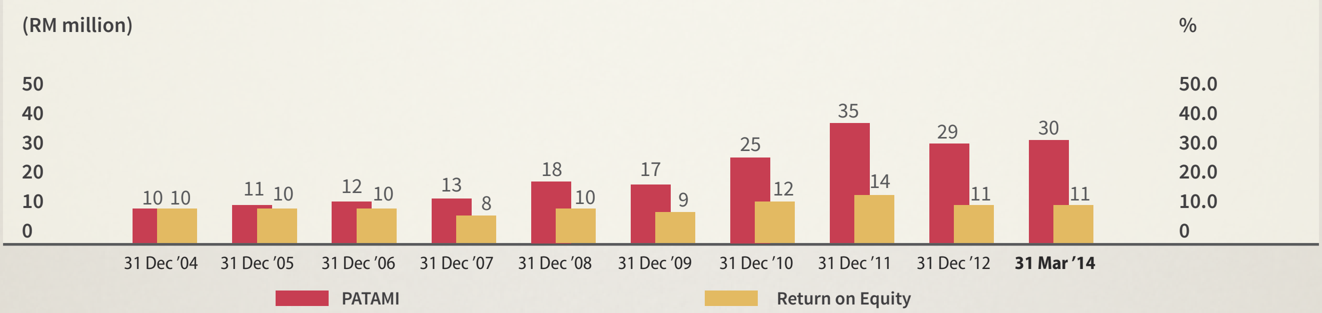
TOTAL BORROWINGS AND GEARING RATIO



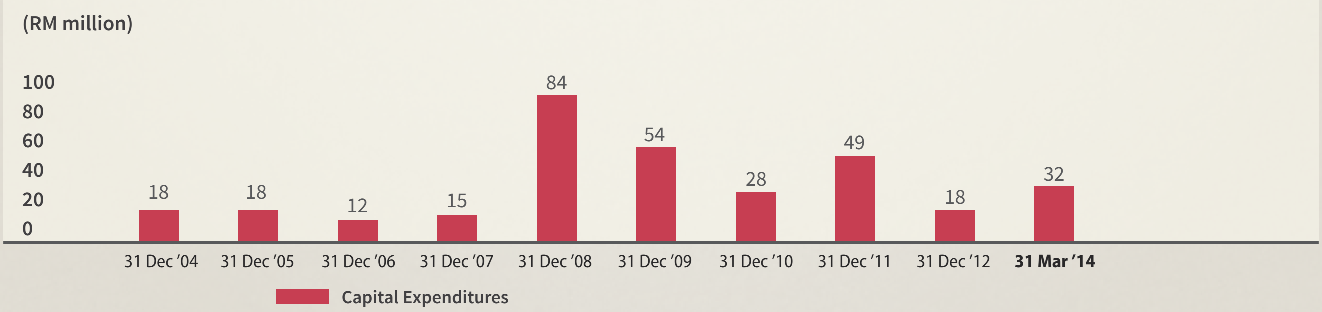
CONSOLIDATED FINANCIAL HIGHLIGHTS (CONT'D)

31 Dec '08	31 Dec '09	31 Dec '10	31 Dec '11	31 Dec '12	31 Mar '14
366, 456	280, 630	443, 362	469, 211	442, 448	559,613
22, 548	14, 160	32, 724	37, 278	35, 228	41,958
18, 358	16, 560	24, 776	34, 590	28, 889	30,409
84, 323	53, 579	27, 834	49, 399	18, 056	31,801
100, 000	100, 000	100, 000	100, 000	100, 000	100, 000
246, 209	263, 371	295, 897	347, 262	344, 402	375,847
46, 434	35, 041	46, 927	49, 280	52, 699	52,461
65, 841	70, 724	81, 757	106, 085	88, 368	98,062
2, 728	16, 056	25, 133	42, 923	32, 853	24,179
180, 097	192, 323	213, 763	240, 714	255, 485	277,133
18.36	16.56	24.78	34.59	28.89	30.41
-	7.00	9.13	12.90	12.01	10.34
73.1	73.0	72.2	69.3	74.2	73.7
10.2	8.6	11.6	14.4	11.3	11.0
7.5	6.3	8.4	10.0	8.4	8.1
187.0	208.4	231.6	233.0	237.6	212.9
1.5	8.3	11.8	17.8	12.9	8.7
-	42.3	36.9	37.3	41.6	34.0

PATAMI AND RETURN ON EQUITY



CAPITAL EXPENDITURES



CHAIRMAN'S STATEMENT

"In a year when a general sense of uncertainty was pervasive, we at TASCO Berhad ["TASCO" or "The Group"] continued to lay down a foundation for future growth. In the last 15 months, TASCO focused on leveraging our brand and economy of scale and our performance has steadily improved. On behalf of the Board of Directors, I take pride to present this Annual Report and Financial Statements of TASCO for the financial period ending 31 March 2014."

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("The Board"), I am pleased to present to you the Annual Report and Audited Financial Statements of TASCO Berhad ("TASCO" or "The Group") for the period ended 31 March 2014.

The Company changed its financial year end from 31 December 2013 to 31 March 2014 which resulted in a fifteen-month period (1 January 2013 to 31 March 2014) for its reporting period. Accordingly, the comparative figures which cover the financial year ended 31 December 2012 ("FY2012") may not be comparable with the current period's financial figures.

The Group has achieved commendable results, amidst the challenging global economic backdrop. During the period, we kept our momentum to work hard and strengthened our key businesses within the uncertainty in the global economy.

STEADY FINANCIAL POSITION

Despite a difficult business environment, the Group had a satisfactory sales performance and profit achievement in the fifteen-month period ended 31 March 2014. Overall, we attained more than 90% of our sales and profit target as set in the beginning of the financial year. In the fifteen-month period ended 31 March 2014, the Group recorded revenue of RM559.6 million, an increase of 26% against revenue of RM442.8 million in FY2012 and a profit after tax of RM30.4 million as against RM28.9 million respectively. The surge in the total revenue was generated from encouraging demand of our products and services, and was contributed by both the domestic and international segments of our business.

STRATEGIES FOR GROWTH

The Group has successfully established its presence in many parts of the world being almost 40 years in the market. Riding on the wave of new growth opportunities and as a result of prudent operational efficiencies, we manage to grow the Group's business and shape its direction to a better position.

Malaysia's relatively political stability helps TASCO grow better compared to the neighbouring countries such as Vietnam and Thailand. Based on the current market conditions, the Group is exploring multi-pronged strategies to maximize value for our customers and also to meet their evolving needs.

We are now fully developed and supported by 4 main divisions, namely contract logistics division, air freight forwarding division, trucking division and ocean freight forwarding division. With these main divisions, we managed to provide our customers one stop logistics solutions at a competitive price.

We realised that e-commerce is increasingly important in the logistics industry. Moving forward, we will be looking into expansion in this area of business.

EMBRACING CORPORATE SOCIAL RESPONSIBILITY

The Group is not only committed to deliver strong business performance, and shareholder's value, but also to uphold good practices for sustainable business conduct as well as social success and development.

We have always practiced the philosophy of giving back to the community we operate in. The Group is committed to contribute to the welfare of society and encourage the spirit of volunteerism among the employees. Our staff also actively supported this project and visited an orphanage to bring food and cheers during the month of Ramadhan, to show our care to the unfortunate in our society. The Group will continue to support such community programmes in future.

Operationally, our initiatives include investing only in trucks and prime movers with euro-class engines (including the latest Euro V engines) which have been proven to have environmental benefits of low noise and low emission. The Group has about 300 drivers and in order to inculcate safe driving habits, we conduct periodic safety and defensive driving course for our drivers.

As for our warehouses, our new warehouses are designed to be more environmentally friendly, maximizing the use of natural light in order to reduce the usage of electricity. We also practise recycle of waste and use mainly battery-powered forklifts at all of our warehouses as yet other measures to protect the environment.

Training is an important part of our CSR initiative. We conduct regular training to all levels of staff to improve their knowledge, competency and efficiency. We also regularly take in interns from local institutes of higher learning to provide a learning opportunity platform for our youths who are about to embark on a working career.

CHAIRMAN'S STATEMENT

MOVING FORWARD

The industry outlook remains challenging with increasing competition in key segments. The Group will continue to focus on its core business and we expect our performance to move in tandem with the stable domestic economy as well as the improving global economy.

The Group is cautiously optimistic about the performance for the next financial year, and we will continue to maintain our strategy to remain focused on servicing our customers with innovative logistics solutions and expand our logistics capacity where it is beneficial to do so.

IN APPRECIATION

Along the years, our business grows in tandem with the assets. However, the greatest asset for the Group is the PEOPLE. On behalf of the Board, I would like to take this opportunity to express my gratitude to our management, colleagues and staff throughout the TASCO Group for their hard work.

I would also like to convey our heartfelt gratitude to our valued shareholders, customers, vendors, business partners and all the other stakeholders for their steadfast support of TASCO.

At the same time, we would also like to put on record our appreciation to our Board members who have resigned during the year namely Tan Sri Asmat Bin Kamaludin, our immediate past Chairman, and Mr. Tomoaki Handa and Mr. Muneaki Saito, our former directors. We thank them for their support and contributions during the tenure with us and wish them all the best for the future. We also take the opportunity to welcome our new Board members, namely Mr. Yasushi Ooka, Mr. Masaki Ogane and Mr. Lee Wan Kai. We look forward to their support and contributions in the coming years.

We will keep moving forward and we will be taking bold steps to ensure we can achieve our targets and good return value for our shareholder.

Thank You.

Lee Check Poh
Chairman

FROM OUR MANAGING DIRECTOR

FROM OUR MANAGING DIRECTOR

How was TASCO's performance in the financial year just ended?

TASCO's performance in the 15-month financial year ended 31 March 2014 has met the expectations with encouraging results supported by our four main business pillars, namely air freight forwarding, ocean freight forwarding, contract logistics and trucking divisions. Despite the challenging operating environment amidst an unstable global economy, we achieved more than 90% of our sales and profit targets set in the beginning of the financial year.

What new strategies and long-term plans are in store for TASCO?

This coming September we will be celebrating our 40 years of existence in the market. We will try our level best to explore more opportunities in order to grow the business. At the same time, with our business growing, we are looking forward to increase our profit margins by adopting prudent business strategies.

While taking necessary steps to ensure the sustainable growth of our current business, we will also take some valiant steps to explore new sources of business opportunities to reinforce TASCO's position as a leading player in the logistics sector.

Our main clientele industry which is electrical & electronics (E&E) remain strong, and we have consciously taken steps to expand into other industries namely fast-moving consumer goods (FMCG), e-commerce, pharmaceutical and the latest inclusion of aerospace. Going forward, we would continue to move aggressively to secure clientele in these other industries to more balance our revenue mix. On the same note, we are also aggressively taking steps to secure more US and European clientele, to complement our existing strength in Japanese clientele. At the same time, some of our local customers are also expanding into overseas markets, whereby there will be further opportunities for us. All these encouraging developments will help us study our next roadmap towards business expansion.

The group is exploring multi-pronged strategies to maximise the value for our customers and meet their evolving needs, which involve product innovation. Now, more than ever, innovation is the key to growth, which will help us acquire and sustain competitive advantages and build shareholder values for the longer term.

As the innovation process becomes faster and more transparent, our Regional Distribution Centre (RDC) will play an important role in developing innovative products, consolidating our warehouse operations and redistributing channel across the local and international markets.

Our RDC provides a quick turnaround and efficient replenishment, fulfillment and distribution services to our customers. This is especially attractive for non-resident stock customers who want to reduce their overall cost without sacrificing efficiency.

With our well-established cross-border trucking distribution (CBD) network pillared by our trucking division, we are currently providing one-stop cross-border transportation services to our customers to Singapore and Thailand. Going forward, the development of good road connectivity across the ASEAN region that links major cities to major destinations in Indochina all the way to China would be a potential revenue driver.

Recognizing the importance of information technology (IT), we have developed our network lead logistics solution from our deep understanding of the industrial sector. We have developed and implemented for key customers what we so-called the "control tower concept", whereby we are able to maintain visibility and control across the customer's entire supply chain. As the control tower provides near real time information about shipments status and other information, it has helped us to better pre-alert the customers on potential trouble areas in the supply chain and enabled preemptive corrective actions to be taken.

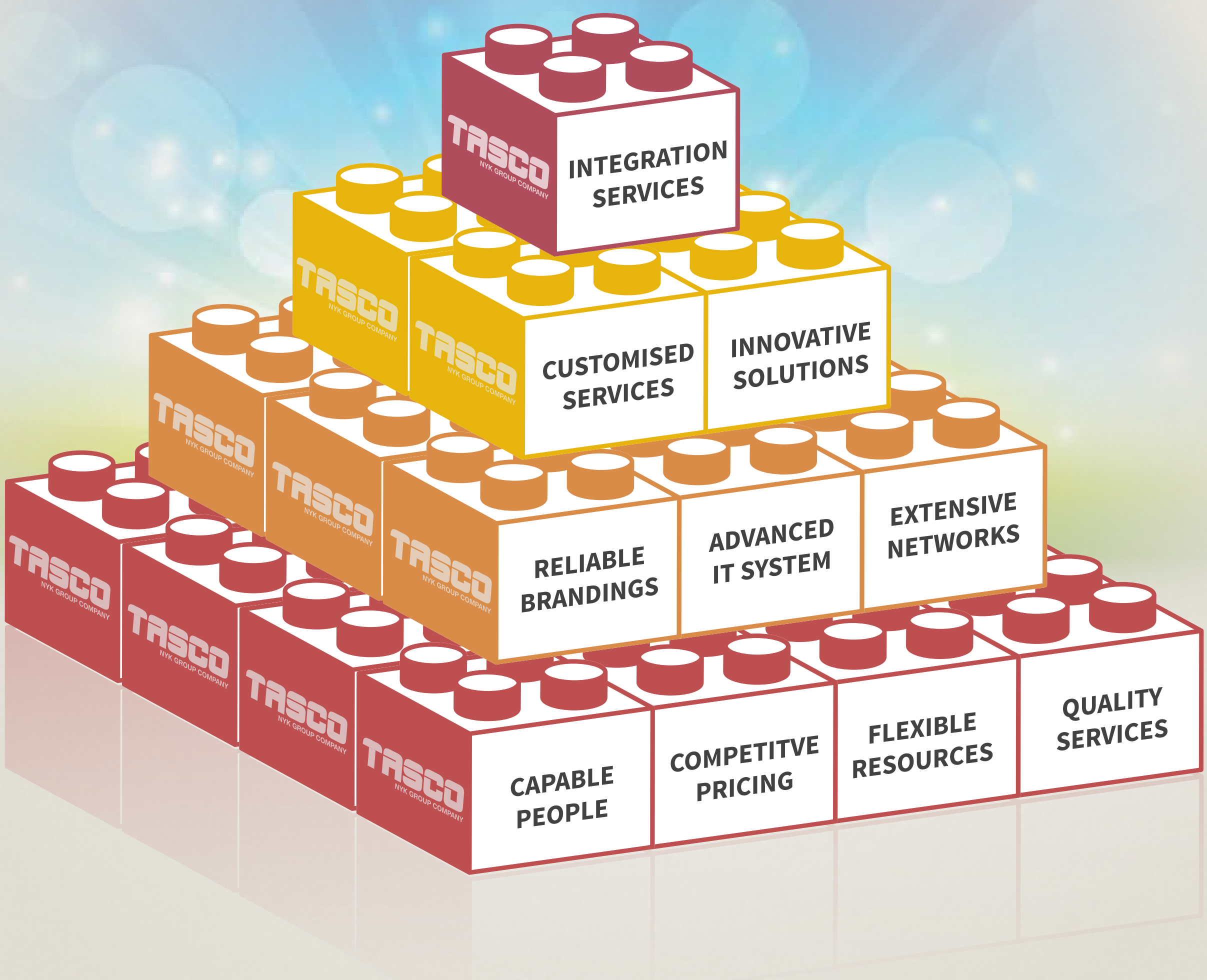
These initiatives reflect our ambition to remain a formidable and cost-effective market player in the logistics business by offering strategically located, centrally run, and integrated logistics facilities with optimum warehouse capacity. We will continue to expand our strategically located facilities that accord our customers effective integrated logistics solutions.

What can the shareholders expect of the prospects for the financial year ended March 2015?

Our first quarter results indicate that we are heading in the direction of growth and development. Barring any unseen adverse development, the Group is optimistic about the performance in the current financial year ended 31 March 2015.

THE SECRETS TO OUR SUCCESS

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

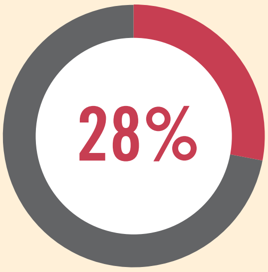


BUSINESS AT A GLANCE

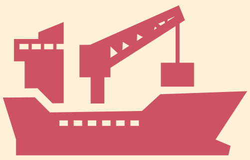
REVENUE RATIO MAR' 2014 | REVENUE MAR' 2014

AIR FREIGHT FORWARDING DIVISION

- Air Freight Services



RM154.5 million

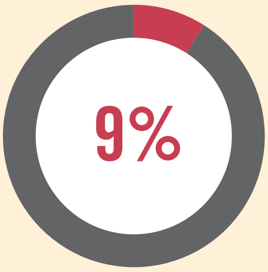


OCEAN FREIGHT FORWARDING DIVISION

- Sea Freight Services

ORIGIN CARGO ORDER & VENDOR MANAGEMENT DIVISION

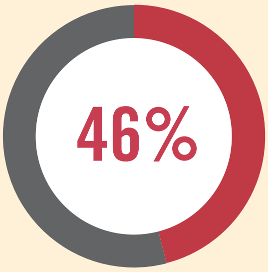
- Buyer Consolidation Services



RM51.6 million

CONTRACT LOGISTICS DIVISION

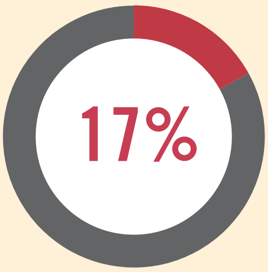
- Customs Clearance
- Haulage Transportation
- Warehousing Services
- Warehouse Inplant Services
- CBU Auto Logistics Services



RM259.3 million

TRUCKING DIVISION

- Domestic Trucking
- International Trucking



RM94.3 million

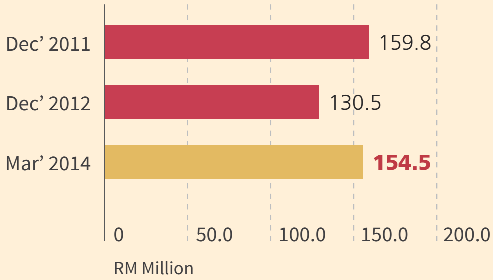
Notes:

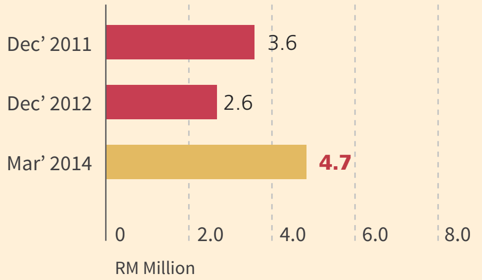
1. **Characteristics of International Business Solutions:**
   Minimum capital investment; Not highly regulated; Requires extensive international networks; Collaboration with foreign agents under a common IT system.
2. **Characteristics of Domestic Business Solutions:**
   High capital investment; Highly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

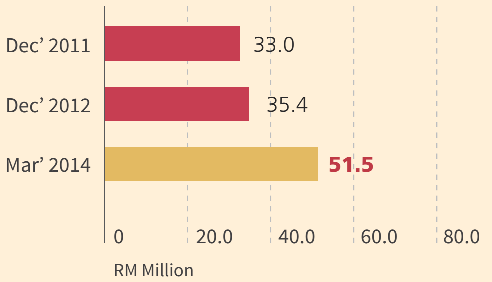
BUSINESS AT A GLANCE

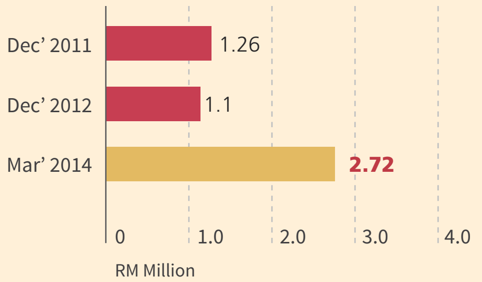
REVENUE DEC’ 2011 - MAR’ 2014

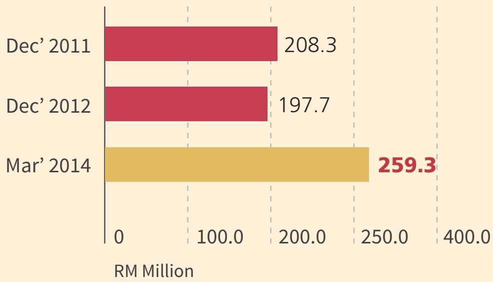
PROFITS FROM OPERATIONS DEC’ 2011 - MAR’ 2014

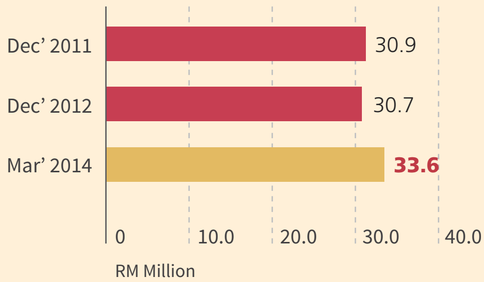


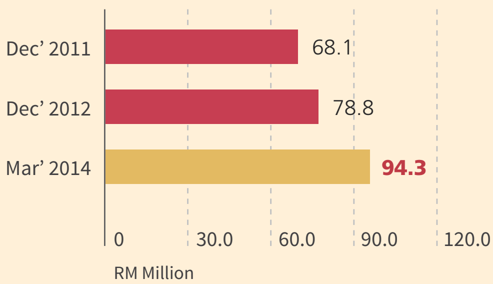


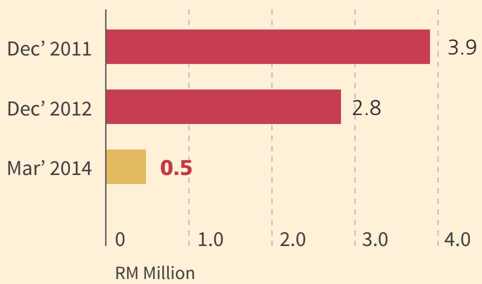




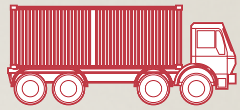




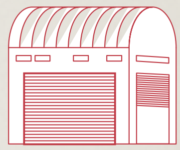




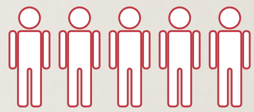
RESOURCE FACILITIES



>250 Units
Prime Movers & Trucks



>200,000m²
Warehouse Space



Domestic: >1,500
Worldwide: >30,000*
Employees

25 Logistics Centres
Domestic Networks

>400 Logistics Bases Worldwide
International Networks

* Under the international logistics network of NYK Group

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lee Check Poh
Executive Chairman

Lim Jew Kiat
Managing Director

Tan Kim Yong
Deputy Managing Director

Masaki Ogane
Executive Director

Yasushi Ooka
Executive Director

Lee Wan Kai
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
Executive Chairman
Member

BOARD OF DIRECTORS

(FROM LEFT TO RIGHT)

1. **LIM JEW KIAT**
2. **LEE WAN KAI**
3. **KWONG HOI MENG**
4. **YASUSHI OOKA**
5. **LEE CHECK POH**
6. **TAN KIM YONG**
7. **RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER**
8. **RAYMOND CHA KAR SIANG**
9. **MASAKI OGANE**

1. No Director has any family relationships with any other Directors and/or major shareholders of the Company except Mr. Lee Wan Kai who is the son of Mr. Lee Check Poh.
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

LEE CHECK POH
Non-Independent Executive Chairman
Aged 65, 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 Executive Chairman 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. Re-designated as Executive Chairman in 2013
- 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
- Anti-Trust Training

PROFILE OF BOARD OF DIRECTORS

LIM JEW KIAT
Non-Independent Managing Director
Aged 53, Malaysian

Date of Appointment
- 17 February 2011

Qualification
- Malaysia Certificate of Education

Other Directorship in Public Company
- None

Experience
- Currently appointed as the Deputy Managing Director in charge of Business Strategy Group
- Joined the Group in 1991 and appointed as Deputy Managing Director in 2011 and became the Managing Director in 2013
- 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
- Independent Directors – A Necessity, Not A Choice (Understanding Their Roles, Functions and Responsibilities)

TAN KIM YONG
Non-Independent Deputy Managing Director
Aged 52, Malaysian

Date of Appointment
- 17 February 2011

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

Other Directorship in Public Company
- None

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

Training
- Anti-Trust Training
- MS Powerpoint - Intermediate

PROFILE OF BOARD OF DIRECTORS

MASAKI OGANE
Non-Independent Executive Director
Aged 45, Japanese

Date of Appointment
- 4 April 2014

Qualification
- Bachelor of Laws (Senshu University, Japan)

Other Directorship in Public Company
- None

Experience
- Currently appointed as the Director in charge of the Air Freight Forwarding Group, Total Logistics Sales (Japanese Account) and a representative of YLK
- Joined Yusen Air & Sea Service Co. Ltd, in Central Tokyo in 1991 as Sales staff until 1995 gaining invaluable experience in air cargo sales
- Was assigned as a Trainee of Boston Cargo Branch, USA for a year (1995-1996) and thereafter recalled to Japan to work from 1996 to 2003
- Seconded to Thailand to head the air cargo sales department for 5 years (2003 to 2008)
- Recalled to Japan in 2008 and was promoted as Manager of Sales, Section 3, Mita Export branch, East Japan Export Sales Division in 2010 and worked until his appointment to Malaysia as an Executive Director in April 2014

Training
- Nil (appointed after the financial period end)

YASUSHI OOKA
Non-Independent Executive Director
Aged 52, Japanese

Date of Appointment
- 4 April 2014

Qualification
- Bachelor of Laws (Kobe University, Japan)

Other Directorship in Public Company
- None

Experience
- Currently appointed as the Director in charge of Ocean Freight Forwarding Group and a representative of NYK
- Joined NYK in April 1986
- Experience in Liner and Tramp Division handling sales and administration
- Was assigned to Taiwan for 3 years (2001 to 2004)
- Last overseas assignment was in Hong Kong for four years (2010 to 2014) before being appointed as an Executive Director

Training
- Nil (appointed after the financial period end)

PROFILE OF BOARD OF DIRECTORS

LEE WAN KAI
Non-Independent Executive Director
Aged 38, Malaysian

Date of Appointment
- 19 August 2013

Qualification
- Bachelor of Commerce (Queen's University, Canada)

Other Directorship in Public Company
- None

Experience
- Currently appointed as the Operation Director in charge of operation and solution strategy
- Joined the Group in 2005 and appointed as Corporate Executive Director in 2010
- Prior to his joining the Group, he was practising as a Certified Public Accountant in the audit firms involved in audit engagement, taxation, initial public offering, merger and acquisition projects

Training
- International Cargo & Logistics Conference 2013
- Anti-Trust Training
- Mandatory Accreditation Programme

KWONG HOI MENG
Independent Non-Executive Director
Aged 47, Malaysian

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

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

Training
- 2014 Budget Seminar – Key Budget Changes And Their Implications
- An Integrated Assurance On Risk Management And Internal Control – Is Our Line Of Defence Adequate And Effective?
- Merger And Affiliation Seminar 2013

PROFILE OF BOARD OF DIRECTORS

RAYMOND CHA KAR SIANG
Independent Non-Executive Director
Aged 43, Malaysian

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

Experience
- Appointed as an Independent Director in year 2007 and also the Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee
- Admitted to the Malaysian 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
- Board Leadership And Values Systems – The Tone At The Top

RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
Independent Non-Executive Director
Aged 70, Malaysian

Date of Appointment
- 30 October 2007

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

Other Directorship in Public Company
- None

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

Training
- Independent Directors – A Necessity, Not A Choice (Understanding Their Roles, Functions And Responsibilities)

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 ("Board") is committed in 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 Malaysian Code on Corporate Governance 2012 ("Code") sets out the principles and best practices on structures and processes that the Group may use towards achieving their optimal governance framework.

Set out below is the manner in which the Group has applied the principles of corporate governance and the extent to which it has complied with the best practices set out in the Code.

INTERNAL ORGANISATION STRUCTURE

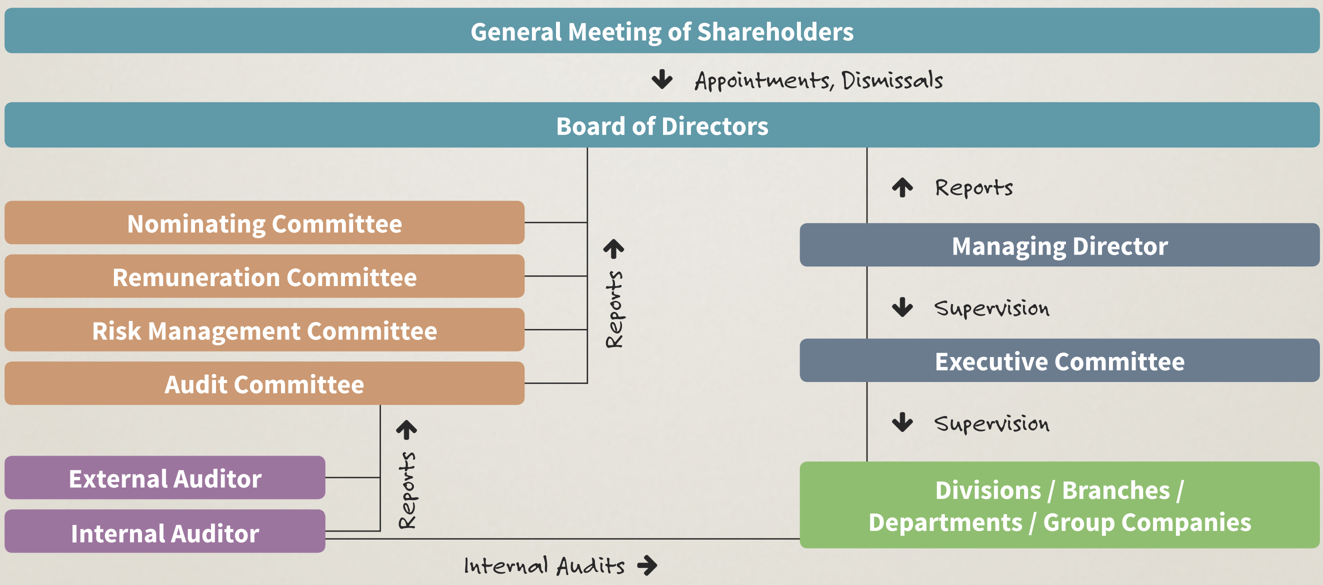
As at 31 July 2014, the Board comprises 9 members, including 3 Independent Non- Executive directors. The Board had also established the following Board Committees to assist the Board in carrying out its fiduciary duties:

(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 Managing Director comprises 10 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 CHARTER AND DIRECTORS' CODE OF CONDUCT AND ETHICS

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Boards, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Directors' Code of Conduct and Ethics provide guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during their appointment.

The Board Charter and Directors' Code of Conduct and Ethics are made available for reference in the Company's website www.tasco.com.my.

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 period ended 31 March 2014 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	5/5
Lim Jew Kiat (Managing Director)	Executive	No	5/5
Tan Kim Yong (Deputy Managing Director)	Executive	No	5/5
Masaki Ogane (Appointed on 04.04.2014)	Executive	No	NA
Yasushi Ooka (Appointed on 04.04.2014)	Executive	No	NA
Lee Wan Kai (Appointed on 19.08.2013)	Executive	No	2/2
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	4/5

Remarks

During the financial year and prior to the issuance of this Annual Report, the following resignations took place:
Tan Sri Asmat Bin Kamaludin, resigned on 31.05.2013
Tomoaki Handa, resigned on 04.04.2014
Muneaki Saito, resigned on 04.04.2014

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

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

The Board Chairman is an Executive Director and remains so after due assessment and reviewed by the Nominating Committee which had taken into consideration of the following justifications:

a) The Chairman's vast experience in managing the Group's logistics business which would enable him to provide the Board with expertise and skills to better manage and run the Group; and

CORPORATE GOVERNANCE STATEMENT

b) The Chairman has demonstrated his objectivity in deliberating and making decision aligning with the shareholders' interest at large during his tenure as Executive Chairman of the Company.

The positions of the Chairman and the Managing Director are held by 2 individuals. There is a clear division of responsibilities between the Chairman and the 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 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 Main Market Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") that requires at least 1/3 of the Board to comprise 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 financial period, 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 requires 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.

In the furtherance of their duties, the Directors have access to all information pertaining to the Group as well as to seek independent professional advice at the 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 Directors both for the Company'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. 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. During the year all the Directors have attended training listed under their respective individual director profile. This is in compliance with paragraph 15.08(2) of the LR.

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.

CORPORATE GOVERNANCE STATEMENT

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 period ended 31 March 2014 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Raymond Cha Kar Siang (Chairman)	Non-Executive	Yes	2/2
Kwong Hoi Meng	Non-Executive	Yes	2/2
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	2/2

The Nominating Committee, set up on 6 December 2007, is responsible for recommending the right candidate for appointment to the Board or Board Committees. The Nominating Committee is also responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the performance of each existing Director.

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

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

The Nominating Committee met twice on 19 August 2013 and 14 November 2013. In the meeting held on 19 August 2013, the members discussed the re-structuring of the Board following the resignation of Tan Sri Asmat Bin Kamaludin as Chairman of the Board on 31 May 2013 to comply with the new LR that a director can hold not more than five directorships in a public company. At the meeting, the proposed re-designation of Mr. Lee Check Poh as Executive Chairman, Mr. Lim Jew Kiat as Managing Director and the appointment of Mr. Lee Wan Kai as director of the Company were recommended by the committee members and approved by the Board on the same day.

At the Nominating Committee held on 14 November 2013, the members reviewed the mix of skills, experience and qualities of the Board committees and Board members as well as the appropriateness of the size of the Board and concluded that the Board composition was adequately balanced in ensuring continued effectiveness and efficiency.

The Board will monitor the Company's performance in meeting the target and shall review the policy and target set to achieve gender diversity in the boardroom as and when needed.

The Board has established a nomination process of Board members to facilitate and provide a guide for Nominating Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.

The nomination and election process of Board members can be found at the Company's website at www.tasco.com.my.

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 period ended 31 March 2014 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

CORPORATE GOVERNANCE STATEMENT

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 Board has established a remuneration policy and procedure to facilitate the Remuneration Committee to review, consider and recommend to the Board for decision/approval the remuneration packages of the Executive Directors.

The details of the remuneration of Directors of the Company for the financial period ended 31 March 2014 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM100,001 to RM150,000	-	1
RM250,001 to RM300,000	1	-
RM400,001 to RM450,000	1	-
RM500,001 to RM550,000	2	-
RM1,550,001 to RM1,600,000	1	-

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

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	Nil	3,348,379	3,348,379
Non-Executive Directors	247,000	Nil	247,000

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises 8 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.

CORPORATE GOVERNANCE STATEMENT

Risk Tabulation Table

LIKELIHOOD	**High**			
	Medium			
	Low			
		Minor	**Moderate**	**Major**
	IMPACT			

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 period ended 31 March 2014 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	No	4/5

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 33 to 34 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 Risk Management and Internal Control as set out on page 35 and 36 of the Annual Report.

INTERNAL AUDIT FUNCTION

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

The Group incurred RM61,670 of internal audit costs during the financial period ended 31 March 2014.

CORPORATE GOVERNANCE STATEMENT

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 by making announcements via the Bursa Malaysia's website at www.bursamalaysia.com. Information of the Company is also disseminated through the following channels:
a) Annual Report;
b) Circular to Shareholders; and
c) Company's website at www.tasco.com.my.

Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:

Mr. Lim Jew Kiat
(Managing Director)
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : freddielim@tasco.com.my

Mr. Tan Kim Yong
(Deputy Managing Director)
Telephone number : 03-51018888
Fax number : 03-55488288
Email address : kytan@tasco.com.my

A copy of the annual report is sent to all our shareholders and is available upon request. By making 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.

CORPORATE GOVERNANCE STATEMENT

The Board encourages shareholders' active participation at the Company 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 takes note of the recommendation by the Code on the adoption of electronic voting and encourage poll voting to facilitate greater shareholders' participation. The shareholders are informed of their rights to demand a poll vote prior to the commencement of general meeting and the Board will ensure that any vote of shareholders taken at the general meeting on the resolution approving related party transactions is taken on a poll. Announcement will also be made on the detailed results showing the number of votes cast for and against each resolution.

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.

SUSTAINABILITY POLICY

The Board is committed to operate its business in accordance with environmental, social and economic responsibility. These include working within the law in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders.

The Company strives to achieve sustainable long term balance between meeting its business goals and preserving the environment, its commitments with respect to sustainability are in the core areas of workplace, marketplace, community and environment.

The strategies to promote sustainability and its implementation can be found at the Company's website at www.tasco.com.my.

COMPLIANCE WITH THE CODE

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavor to improve and enhance the procedures from time to time.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial period ended 31 March 2014.

COMPOSITION AND ATTENDANCE

The Audit Committee ("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 30 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 interests situations that may arise within the Company and the Group.

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

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

6. To carry out any other function that may be mutually agreed upon by the 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.

AUDIT COMMITTEE REPORT

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 Listing Requirements of Bursa Malaysia.

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 during the financial period ended 31 March 2014. 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 audit attended 2 AC meetings during the financial period to present the auditors' report on the annual audited financial statements and their Audit Planning Memorandum before commencement of the audit of the Group. The AC also met the External Auditors on two (2) occasions without the presence of the Board of Directors ("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 2013. Their scope of audit also covers Recurrent Related Party Transactions.

The Group Internal Auditor presented their findings and report to the AC members at all the AC meetings held during the financial period ended 31 March 2014. 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 period 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 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.
h. Met with the external auditors twice a year without the presence of the executive Board members and the management.
i. Reviewed the Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for insertion into the Annual Report 2012.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for the Group's system of risk management and 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 risk management and internal control is designed to manage and minimise the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

The adequacy and effectiveness of the Group's risk management, internal control and governance process are reviewed and monitored by the Audit Committee, which receives regular reports from the internal auditors. Formal procedures are in place for actions to be taken to remedy any significant failings or weaknesses in these reports.

The Board has also received assurance from the Managing Director and Deputy Managing Director that the Group's risk management and internal control system are operating adequately and effectively in all material aspect based on the risk management and internal control system of the Group.

Based on the foregoing, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system.

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

The internal control system of the Group has three components as described below. The system has been put in place for the financial year under review and up to 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT

The Group has an Internal Audit Function, which reports to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls. The Internal Auditor provides 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 TRANSACTION

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial period ended 31 March 2014 are as follows:

No.	Nature of Transactions	Transacting 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 facilitate the operations of each other.	TASCO/NYK Group	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	Sales: 73,380 Purchases: 66,728
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	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	354
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	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	432
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	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	2,740
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	2,158
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	Tomoaki Handa[1], Muneaki Saito[2] and NYK Group[3]	1,275 375

Notes:
1. Tomoaki Handa was seconded to TASCO from YLK. He resigned as Executive Director of TASCO on 4 April 2014.
2. Muneaki Saito was seconded to TASCO from YLK. He resigned as Non-Executive Director of TASCO on 4 April 2014.
3. NYK Group includes NYK, its subsidiary companies and affiliates.

CALENDAR OF EVENTS IN 2013/2014

7 Jan 2013
Our Company hosted the South Asia and Oceania Regional Global Sales Enrichment Program meeting.

13 Jan 2013
Our Company launched the Safety Campaign 2013 at four locations nationwide at our Shah Alam Logistics Centre (Central Region), Penang Prai Logistics Centre (Northern Region), Melaka (Southern Region 1) and Seelong, Johor (Southern Region 2). The campaign period runs from January to March 2013. A total of 351 participants attended the launch and the participants were briefed on the company Zero Accident policy.

19 Feb 2013
In conjunction with Chinese New Year, a dinner was organised in our Corporate Head Office. The attendees were feted to a good meal and the highlight of the event was a performance entitled "Changing Face", an ancient art originated from China, whereby the performer had the audience spell bound by changing the face mask he was wearing right before their eyes.

13 Mar 2013
Datuk Masahiro Kato, Executive Vice President of NYK Line paid a visit to our Corporate Head Office. Datuk Kato was given a briefing and a tour of our premises.

19 June 2013
Our Company held its 38th Annual General Meeting in our Corporate Head Office. Mr Toshiyuki Kimura, the Chief Regional Officer, South Asia and Oceania Region attended the meeting on behalf of our major shareholder, Yusen Logistics Co. Ltd. A representative from Minority Shareholder Watchdog Group, Mr Quah Ban Aik also attended the meeting.

CALENDAR OF EVENTS IN 2013/2014


5 Sept 2013
Staff of our Corporate Head office organised a lunch in conjunction with Hari Raya Aidil Fitri. The attendees were entertained with a dance presented by our female staff.

10 Sept 2013
The Company celebrated its 39th Anniversary by treating the staff in the Corporate Head office to a simple lunch.



19 Dec 2013
A “Retro Party” was held in our Corporate Head Office. The attendees were treated to western food, retro music and have a great time with the games. They also danced their way into the night.

5 Jan 2014
A “Zero Accident and Fire Prevention Campaign” was launched simultaneously in the Central Region (Shah Alam), Northern Region (Prai) and Southern Region (Johor Bahru). A total of 255 participants turn up for the event.



12 Feb 2014
The staff at our Corporate Head Office organised a Chinese New Year Dinner. A lion dance performance ushered the New Year to the beat of the drums and cymbals, followed by a 10 member’s team giving a 12 drums performance to an enthusiastic crowd after which a buffet dinner was served. Our staff then performed a group singing a Chinese New Year song during the dinner.

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 providing safe logistical services while protecting the environment. In this regard, the Group's CSR activity programme are being focused on quality, environmental 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 has established 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 had established a Safety Committee to formulate policies, action plans, and budgets for the implementation of road and work place safety programme. The following includes some of the activities that have been carried out:

a) Occupational Safety and Health

Meetings were held by the Safety Committee to tackle major safety issues at work place and audits were conducted to ensure that safety policies and guidelines were being 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 financial period, fire drill exercises involving emergency response teams and more than 70 participants were conducted in our various major warehouses/offices.

CORPORATE SOCIAL RESPONSIBILITY

b) Certification of Forklift Operators

The Safety Committee carried out training programme 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 minimize bodily injuries or damages to customers' goods.

Under the programme, 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 be tested. The operators who passed the tests were then be certified and allowed to operate a forklift and entitled for monthly special allowances as long as they maintain clean safety records.

c) Safety and Security Training

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

During the financial period, a safety campaign with the theme of 'Zero Accident and Fire Prevention' was launched involving 255 participants from all branches.

d) Schedule Maintenance of Trucks

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

WORKPLACE

Recognising that human resources is an important asset and in line with our quality policy which include development of all our employees and maximise their potential to the greatest extent so that they may benefit by growing with the Group, extensive yearly training needs analysis covering all levels of employee has been carried out and appropriate training programme provided on a continuous basis to increase their skills and knowledge.

QUALITY AND ENVIRONMENT

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

As a testament to our commitment to provide quality services to our customers, we were presented with various quality and appreciation awards from our customers as well as from the Royal Malaysian Customs over the years. During the financial period, we were given a "Service Award 2012" by Brother Industries Technology (M) Sdn Bhd in appreciation for our support.

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

- Recycling of waste is conducted at all major warehouses/ offices.
- Maintenance of trucks is 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.
- Purchase of new trucks that have EURO engine specifications to lower smoke emission levels.
- Use or purchase of office equipment with energy saving features.
- Maintaining only minimum lightings and air conditionings during lunch hour.

Financial Statements

CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCOPORATION	:	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 15 MONTHS ENDED 31 MARCH 2014

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the 15 months ended 31 March 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in business as a total logistics solutions provider. The principal activities of the subsidiary companies are indicated in note 3 to the financial statements.

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

CHANGE OF FINANCIAL YEAR END DATE

The Company changed its financial year end date from 31 December to 31 March to be co-terminous with that of the holding company.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:-		
Owners of the Company	30,409,124	28,977,511
Non-controlling interests	102,701	-
	30,511,825	28,977,511

DIVIDENDS

During the financial period, the Company paid:

- a final dividend of 6.67 sen per ordinary share of RM1.00 each less 25% income tax in respect of financial year ended 31 December 2012 .

- an interim dividend of 5.34 sen per ordinary share of RM1.00 each less 25% income tax in respect of financial year ended 31 December 2013 .

The directors propose a single-tier final dividend of 5.00 sen per ordinary share of RM1.00 each per ordinary share of in respect of the financial period ended 31 March 2014.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period except as disclosed in the statements of changes in equity set out on pages 55 and 56.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT FOR THE 15 MONTHS ENDED 31 MARCH 2014 (CONT'D)

DIRECTORS

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

Mr Lee Check Poh	
Mr Raymond Cha Kar Siang	
Mr Kwong Hoi Meng	
Mr Raippan s/o Yagappan @ Raiappan Peter	
Mr Tan Kim Yong	
Mr Lim Jew Kiat	
Mr Lee Wan Kai	(Appointed on 19 August 2013)
Mr Yasushi Ooka	(Appointed on 4 April 2014)
Mr Masaki Ogane	(Appointed on 4 April 2014)
Tan Sri Asmat Bin Kamaludin	(Resigned on 31 May 2013)
Mr Muneaki Saito	(Resigned on 4 April 2014)
Mr Tomoaki Handa	(Resigned on 4 April 2014)

In accordance with Article 83 of the Company's Article of Association, Mr Lee Wan Kai, Mr Yasushi Ooka and Mr Masaki Ogane who were appointed to the Board subsequent to the date of Annual General Meeting, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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

Mr Raippan s/o Yagappan @ Raiappan Peter, being seventy years of age, retires in accordance with section 129 of the Companies Act 1965 at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS IN SHARES

The following directors who held office at the end of the financial period had an interest in shares in the Company and its related corporations during the financial period 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 1.1.2013	**Bought**	**Sold**	**At 31.3.2014**
The Company				
Mr Lee Check Poh - deemed interest	9,830,438	-	-	9,830,438
Mr Tan Kim Yong - direct interest	69,900	-	59,900	10,000
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
Mr Lee Wan Kai - direct interest	10,000	-	-	10,000
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' REPORT FOR THE 15 MONTHS ENDED 31 MARCH 2014 (CONT'D)

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 period 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 that proper action had been 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 to be written off and adequate allowance had been made for doubtful debts; and

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

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

  (i) which would render it necessary to write off any debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or

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

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

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

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

(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 period which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiaries to meet their obligations as and when they fall due.

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

DIRECTORS' REPORT FOR THE 15 MONTHS ENDED 31 MARCH 2014 (CONT'D)

(f) In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial period 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 period 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 20 May 2014

LEE CHECK POH
Director

LIM JEW KIAT
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD

Report on the Financial Statements

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2014 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 15 months then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 103.

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 March 2014 and of their financial performance and cash flows for the 15 months 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 auditors and which is indicated in Note 4 to the financial statements.

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

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD (CONT'D)

Other Reporting Responsibilities

The supplementary information set out in Note 40 on page 104 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 ("the 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. 1501/09/15 (J/PH)
Chartered Accountant

Kuala Lumpur

Date: 20 May 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	As at 31.3.2014 RM	As at 31.12.2012 RM
ASSET			
Non-current assets			
Property, plant and equipment	2	207,786,965	196,237,393
Investment in associated company	4	4,182,964	4,650,611
Other investments	5	1,204,104	1,230,104
Total non-current assets		213,174,033	202,118,108
Current assets			
Inventories	6	108,646	102,017
Trade receivables	7	81,992,279	63,284,015
Other receivables, deposits and prepayments	8	11,095,449	9,267,684
Amounts owing by related companies	10	9,725,446	8,532,083
Amounts owing by associated company	19	54,037	54,037
Current tax asset		7,235,889	8,345,831
Fixed deposits with licenced banks	11	29,861,167	39,950,655
Cash and bank balances	12	22,600,207	12,747,898
Total current assets		162,673,120	142,284,220
TOTAL ASSETS		375,847,153	344,402,328

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2014

	Note	As at 31.3.2014 RM	As at 31.12.2012 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		(36,257)	(355,207)
Exchange translation reserve		(153,448)	(80,298)
Retained earnings		175,120,477	153,718,848
Equity attributable to owners of the Company		277,132,680	255,485,251
Non-controlling interests		652,029	549,328
Total equity		277,784,709	256,034,579
Non-current liabilities			
Bank terms loans	14	12,873,024	19,742,484
Hire purchase and finance lease liabilities	15	-	19,907
Deferred tax liabilities	16	8,770,050	8,730,592
Total non-current liabilities		21,643,074	28,492,983
Current liabilities			
Trade payables	17	36,879,598	26,177,846
Other payables, deposits and accruals	18	22,953,050	14,545,155
Amount owing to related companies	10	5,155,922	5,994,072
Bank term loans	14	11,292,828	12,799,996
Hire purchase and finance lease liabilities	15	13,127	290,797
Current tax liabilities		124,845	66,900
Total current liabilities		76,419,370	59,874,766
Total liabilities		98,062,444	88,367,749
TOTAL EQUITY AND LIABILITIES		375,847,153	344,402,328

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	As at 31.3.2014 RM	As at 31.12.2012 RM
ASSET			
Non-current assets			
Property, plant and equipment	2	204,578,232	198,247,820
Investment in subsidiary companies	3	14,262,565	14,262,565
Investment in associated company	4	3,000,000	3,000,000
Other investments	5	1,204,104	1,230,104
Total non-current assets		223,044,901	216,740,489
Current assets			
Trade receivables	7	75,192,643	60,377,952
Other receivables, deposits and prepayments	8	7,263,164	5,345,838
Amounts owing by subsidiary companies	9	11,837,768	9,441,084
Amounts owing by related companies	10	9,725,446	8,530,602
Amounts owing by associated company	19	54,037	54,037
Current tax asset		7,226,292	8,259,306
Fixed deposits with licensed banks	11	29,861,167	39,950,655
Cash and bank balances	12	17,589,610	10,096,522
Total current assets		158,750,127	142,055,996
TOTAL ASSETS		381,795,028	358,796,485

STATEMENT OF FINANCIAL POSITION (CONT'D)
AS AT 31 MARCH 2014

	Note	As at 31.3.2014 RM	As at 31.12.2012 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	13	100,000,000	100,000,000
Share premium		801,317	801,317
Hedge reserve		(36,257)	(355,207)
Retained earnings	24	151,098,138	131,128,122
Total equity		251,863,198	231,574,232
Non-current liabilities			
Bank term loans	14	12,873,024	19,742,484
Hire purchase and finance lease liabilities	15	-	19,907
Deferred tax liabilities	16	8,423,532	8,358,425
Total non-current liabilities		21,296,556	28,120,816
Current liabilities			
Trade payables	17	30,728,488	23,808,647
Other payables, deposits and accruals	18	21,104,086	13,212,798
Amounts owing to subsidiary companies	9	40,340,823	42,996,608
Amount owing to related companies	10	5,155,922	5,992,591
Bank term loans	14	11,292,828	12,799,996
Hire purchase and finance lease liabilities	15	13,127	290,797
Total current liabilities		108,635,274	99,101,437
Total liabilities		129,931,830	127,222,253
TOTAL EQUITY AND LIABILITIES		381,795,028	358,796,485

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 15 MONTHS ENDED 31 MARCH 2014

	Note	Group 15 months ended 31.3.2014 RM	Group Year ended 31.12.2012 RM	Company 15 months ended 31.3.2014 RM	Company Year ended 31.12.2012 RM
Revenue	20	559,613,332	442,448,402	525,795,328	432,409,407
Cost of sales		(418,368,278)	(330,397,306)	(390,598,127)	(324,470,873)
Gross profit		141,245,054	112,051,096	135,197,201	107,938,534
Other income	22	2,197,158	2,171,493	3,044,906	3,198,332
Administrative and general expenses		(100,532,487)	(77,880,016)	(96,959,248)	(74,549,721)
Profit from operations	21	42,909,725	36,342,573	41,282,859	36,587,145
Finance costs	23	(1,470,140)	(1,628,636)	(1,470,140)	(1,628,636)
Share of net profit of associated company		620,941	601,209	-	-
Profit before tax		42,060,526	35,315,146	39,812,719	34,958,509
Taxation	24	(11,548,701)	(6,339,288)	(10,835,208)	(5,771,961)
Profit for the period/year		30,511,825	28,975,858	28,977,511	29,186,548
Other comprehensive income/(loss) Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operation		(73,150)	(43,366)	-	-
Fair value adjustment on cash flow hedge		318,950	(69,980)	318,950	(69,980)
Other comprehensive income/(loss) for the period/year, net of tax		245,800	(113,346)	318,950	(69,980)
Total comprehensive income for the period/year		30,757,625	28,862,512	29,296,461	29,116,568
Profit attributable to:					
Owners of the Company		30,409,124	28,889,232	28,977,511	29,186,548
Non-controlling interests		102,701	86,626	-	-
Profit for the period/year		30,511,825	28,975,858	28,977,511	29,186,548
Total comprehensive income attributable to:					
Owners of the Company		30,654,924	28,775,886	29,296,461	29,116,568
Non-controlling interests		102,701	86,626	-	-
Total comprehensive income for the period/year		30,757,625	28,862,512	29,296,461	29,116,568
Basic earnings per share attributable to owners of the Company (sen per share)	25	30.41	28.89		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 JANUARY 2013 TO 31 MARCH 2014

		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 2012		100,000,000	801,317	1,400,591	(285,227)	(36,932)	138,834,616	240,714,365	462,702	241,177,067
Total comprehensive income for the year		-	-	-	(69,980)	(43,366)	28,889,232	28,775,886	86,626	28,862,512
Dividends paid	26	-	-	-	-	-	(14,005,000)	(14,005,000)	-	(14,005,000)
Balance at 31 December 2012		100,000,000	801,317	1,400,591	(355,207)	(80,298)	153,718,848	255,485,251	549,328	256,034,579
Total comprehensive income for the period		-	-	-	318,950	(73,150)	30,409,124	30,654,924	102,701	30,757,625
Dividends paid	26	-	-	-	-	-	(9,007,495)	(9,007,495)	-	(9,007,495)
Balance at 31 March 2014		100,000,000	801,317	1,400,591	(36,257)	(153,448)	175,120,477	277,132,680	652,029	277,784,709

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD 1 JANUARY 2013 TO 31 MARCH 2014

		← Non distributable		→	Distributable	
	Note	Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 1 January 2012		100,000,000	801,317	(285,227)	115,946,574	216,462,664
Total comprehensive income for the year		-	-	(69,980)	29,186,548	29,116,568
Dividends paid	26	-	-	-	(14,005,000)	(14,005,000)
Balance at 31 December 2012		100,000,000	801,317	(355,207)	131,128,122	231,574,232
Total comprehensive income for the period		-	-	318,950	28,977,511	29,296,461
Dividends paid	26	-	-	-	(9,007,495)	(9,007,495)
Balance at 31 March 2014		100,000,000	801,317	(36,257)	151,098,138	251,863,198

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW

FOR THE 15 MONTHS ENDED 31 MARCH 2014

	Note	Group		Company	
		15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		42,060,526	35,315,146	39,812,719	34,958,509
Adjustments for:					
Allowance for doubtful debts		738,828	(155,066)	738,828	(155,066)
Depreciation		19,781,653	16,009,471	19,424,311	15,916,830
Gain on disposal of property, plant and equipment		(411,563)	(661,324)	(387,563)	(661,324)
Impairment of goodwill		-	864,854	-	-
Property, plant and equipment written off		30,402	-	30,402	-
Loss on disposal of investment in quoted shares		8,968	-	8,968	-
Share of net profit of associated company		(620,941)	(601,209)	-	-
Interest income		(939,372)	(967,972)	(939,372)	(967,972)
Dividend income		(74,298)	(41,619)	(1,162,886)	(1,130,206)
Interest expense		1,470,140	1,628,636	1,470,140	1,628,636
Unrealised loss on foreign exchange		-	94,056	-	94,056
Operating profit before working capital changes		62,044,343	51,484,973	58,995,547	49,683,463
Changes in current assets		(22,474,849)	880,004	(14,406,408)	(182,207)
Changes in current liabilities		19,360,085	(2,172,403)	16,003,955	(465,969)
Cash generated from operations		58,929,579	50,192,574	60,593,094	49,035,287
Tax paid		(10,341,356)	(4,501,535)	(9,737,087)	(3,874,564)
Net cash generated from operating activities		48,588,223	45,691,039	50,856,007	45,160,723
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	27	(31,801,079)	(18,235,601)	(26,226,962)	(18,232,718)
Proceeds from disposal of property, plant and equipment		853,400	779,030	829,400	779,030
Proceeds from disposal of other investment		17,032	-	17,032	-
Purchase of other investments		-	(5,000)	-	(5,000)
(Advances to)/Repayment from subsidiary companies		-	-	(6,655,965)	3,140,904
Interest received		939,372	967,972	939,372	967,972
Dividends received		74,298	41,619	74,298	41,619
Net cash used in investing activities		(29,916,977)	(16,451,980)	(31,022,825)	(13,308,193)

STATEMENT OF CASH FLOW (CONT'D)

FOR THE 15 MONTHS ENDED 31 MARCH 2014

		Group		Company	
	Note	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		6,000,000	3,000,000	6,000,000	3,000,000
Repayment of term loan		(14,057,678)	(12,845,049)	(14,057,678)	(12,845,049)
Advances from subsidiary companies		-	-	(3,596,692)	(1,728,819)
Payment of hire purchase and finance lease liabilities		(297,577)	(294,784)	(297,577)	(294,784)
Interest paid		(1,470,140)	(1,628,636)	(1,470,140)	(1,628,636)
Dividends paid		(9,007,495)	(14,005,000)	(9,007,495)	(14,005,000)
Net cash used in financing activities		(18,832,890)	(25,773,469)	(22,429,582)	(27,502,288)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(161,644)	3,465,590	(2,596,400)	4,350,242
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		52,698,553	49,279,949	50,047,177	45,694,935
EFFECT OF EXCHANGE RATE CHANGES		(75,535)	(46,986)	-	-
CASH AND CASH EQUIVALENTS CARRIED FORWARD		52,461,374	52,698,553	47,450,777	50,045,177
Represented by:					
Fixed deposits with a licensed banks		29,861,167	39,950,655	29,861,167	39,950,655
Cash and bank balances		22,600,207	12,747,898	17,589,610	10,096,522
		52,461,374	52,698,553	47,450,777	50,047,177

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("the MASB"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value measurements are categorised as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs are unobservable inputs for the asset or liability.

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

(b) Application of new or revised standards

In the current period, the Group and the Company applied a number of new standards and amendments that became effective mandatorily for the accounting periods beginning on or after 1 January 2013.

Except as otherwise indicated below, the adoption of the new and revised standards, amendments and interpretations have not had any significant impact on the financial statements of the Group and of the Company.

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The amendments to MFRS 101 require items of other comprehensive income to be categorised as, either, (i) items that will not be reclassified subsequently to profit or loss; or (ii) items that will be reclassified subsequently to profit or loss when specific conditions are met. The amendments to MFRS 101 have been applied retrospectively. Other than changes in presentation of items of other comprehensive income, the adoption of amendments to MFRS 101 has not had any significant impact on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(c) Standards issued that are not yet effective

The Group and the Company have not applied the following standards, amendments and interpretations that have been issued by the MASB but are not yet effective:

		Effective Date
MFRS 9	Financial Instruments	Yet to be confirmed
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment entities	01-Jan-2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	01-Jan-2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-financial Assets	01-Jan-2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	01-Jan-2014
IC Interpretation 21	Levies	01-Jan-2014
Amendments to MFRS 2, MFRS 3, MFRS 8, MFRS 116, MFRS 124, MFRS 138	Annual Improvements to MFRSs 2010-2012 Cycle	01-July-2014
Amendments to MFRS 3, MFRS 13, MFRS 140	Annual Improvements to MFRSs 2011-2013 Cycle	01-July-2014
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions	01-July-2014

Except as otherwise indicated below, the adoption of the above new standards, amendments and interpretation are not expected to have significant impact on the financial statements of the Group and of the Company.

MFRS 9, *Financial Instruments*

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments.

MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Company is yet to assess MFRS 9's full impact and intends to adopt MFRS 9 when it is mandated by MASB.

(d) Significant accounting estimates and judgements

The preparation of financial statements in conformity with MFRS 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 period.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) 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 significant risks 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 from 5 to 50 years.

The carrying amounts of the Group's and Company's property, plant and equipment as at 31 March 2014 were RM207,786,965 and RM204,578,232 (31.12.2012: RM196,237,393 and RM198,247,820) 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 March 2014 were RM100,089,941 and RM101,671,954 (31.12.2012: RM76,933,906 and RM82,840,662), respectively.

The Group and the Company assess at each reporting date whether there is any objective evidence that receivables have been 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) *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 March 2014 were RM7,235,889 and RM7,226,292 (31.12.2012: RM8,345,831 and RM8,259,306), respectively.

The carrying amounts of the Group's and Company's tax liabilities as at 31 March 2014 were RM124,845 and nil (31.12.2012 : RM66,900 and nil), respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Subsidiaries

In the Company's separate financial statements, investments in subsidiary companies are measured at cost less impairment losses. Impairment losses are charged to profit or loss.

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

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiaries and entities controlled by the Company (including structured entities) made up to the end of the financial period.

The Company controls an investee if and only if the Company has all the following:
(i) power over the investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of an investee shall begin from the date the Company obtains control of the investee and cease when the Company loses control of the investee.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other 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.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes of Interests in Subsidiaries

The changes of interests in subsidiaries that do not result in a loss of control are treated as equity transactions between the Group and non-controlling interests. Any gain or loss arising from equity transactions is recognised directly in equity.

Loss of control

When the Company loses control of a subsidiary:

(i) It derecognises the assets and liabilities, non-controlling interests, and other amounts previously recognised in other comprehensive income relating to the former subsidiary.

(ii) It recognises any gain or loss in profit or loss attributable to the Group, which is calculated as the difference between

    (a) the aggregate of the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; plus any investment retained in the former subsidiary at its fair value at the date when control is lost; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(f) Basis of consolidation (Cont'd)

When the Company loses control of a subsidiary (Cont'd):

(b) the net carrying amount of assets, liabilities, goodwill and any non-controlling interests attributable to the former subsidiary at the date when control is lost.

(iii) It recognises any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant MFRS. That fair value shall be regarded as the fair value on initial recognition of a financial asset in accordance with MFRS 9 or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

(g) Business combination

The Group accounts for each business combination by applying the acquisition method.

The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the Group, the liabilities incurred by the Group and the equity interests issued by the Group.

The Group accounts for acquisition related costs as expenses in the period in which the costs are incurred and the services are received.

For each business combination, the Group measures at the acquisition date, components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at either: (i) fair value; or (ii) the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of:

(i) the fair value of consideration transferred;
(ii) the amount of any non-controlling interest in the acquiree; and
(iii) in a business combination achieved in stages, the fair value of the Group's previously held equity interest in the investee.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

In a business combination where the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss on the acquisition date.

(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 arrangement. 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.

Investments in associated companies are accounted for in the consolidated financial statements using 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Associated company (Cont'd)

The Group's share of net profits or losses and changes recognised directly in the other comprehensive income of the associated companies are recognised in the consolidated income statement and consolidated statement of comprehensive income, 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 1(k) (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.

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 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 financial statements that conform to those used by the Group for like transaction in similar circumstances.

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited and/or unaudited financial statements made up to a date not more than 3 months before or after the Group's financial year end date.

In the previous year, the Group's accounting policy was to account for the results and reserves based on audited and/or unaudited financial statements made up to Group's financial year end date.

This change in policy is to accommodate the change in the Company's financial year end date from 31 December to 31 March. The change has not had any significant impact on the Group's financial statements.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in profit or loss.

When changes in the Group's interests in an associate that do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are measured at cost less impairment losses, if any. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associate disposed of is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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) Financial instrument categories and subsequent measurement

<u>Financial assets</u>

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity ("HTM") investments or available-for-sale ("AFS") financial assets as appropriate. The Group and the Company determines the classification of the financial assets as set out below upon initial recognition.

In the ordinary course of business, the Group and the Company do not have financial assets categorised as FVTPL and HTM investments.

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.

AFS financial assets

AFS financial assets 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 AFS financial assets 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 FVTPL are subject to review for impairment 1 (l)(i).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(i) Financial instruments (Cont'd)

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

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

In the ordinary course of business, the Group and the Company do not designate any financial liabilities at FVTPL.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

(iii) Derecognition

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 has 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.

(iv) Derivative financial instruments and hedging

The Group uses 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 profit or loss.

The fair value of forward contracts 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

(iv) Derivative financial instruments and hedging

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.

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 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 profit or loss.

(ii) *Depreciation*

Freehold land and construction in progress are not depreciated while leasehold land and buildings are amortised on 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) *Depreciation (Cont'd)*

The principal annual rates used for this purpose are:

	%
Leasehold land and 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.

(k) 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.

(l) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as FVTPL, 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 effective interest rate ruling at the date of acquisition of the financial asset. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

AFS financial assets

An impairment loss in respect of AFS 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 AFS 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.

Reversal of impairment losses recognised in profit or loss for an investment in an unquoted equity instrument is not permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment (Cont'd)

(ii) Non-financial assets

Tangible and intangible assets

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

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

(m) Equity instruments

Equity instruments are measured at cost on initial recognition and are not remeasured subsequently.

Cost incurred directly attributable to the issuance of equity instruments are accounted for as a deduction from equity.

Ordinary shares are classified as equity and are recorded at nominal value. Any proceeds received in excess of the nominal value of the ordinary shares issued are accounted for as share premium.

(n) 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.

(o) 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) Forwarding agency commission is recognised as and when services are rendered.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Foreign currencies

(i) *Transactions and balances in foreign currencies*

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 except for exchange differences arising on monetary items that form part of the Group's net investment in a foreign operations.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

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.

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

(ii) *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 transaction 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.

(q) Leases

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

(i) *Finance lease*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Leases (Cont'd)

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 (Cont'd).

(ii) *Operating lease*

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

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

(r) 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 ("the 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 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 profit or loss as incurred.

(s) 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.

(t) Taxation

The tax expense 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 tax losses only to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences and tax losses can be utilised.

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

(i) goodwill, or

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Taxation (Cont'd)

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 different period, directly to other comprehensive income.

(u) Cash and cash equivalents

Cash and 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 statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(v) 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
FOR THE 15 MONTHS ENDED 31 MARCH 2014

2. PROPERTY PLANT AND EQUIPMENT

Group As at 31.3.2014 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	Construction in progress RM	Total RM
At 1.1.2013	15,725,972	105,245,188	39,881,454	71,051,010	10,771,432	17,678,422	30,319,410	9,672,000	300,344,888
Additions	-	9,703,034	5,445,000	10,411,148	2,180,170	2,060,720	2,001,007	-	31,801,079
Disposals	-	-	-	(2,586,913)	(145,600)	(63,500)	-	-	(2,796,013)
Write-offs	-	-	-	-	-	-	(31,450)	-	(31,450)
Reclassification	-	7,875,000	-	-	1,797,000	-	-	(9,672,000)	-
Exchange differences	-	-	-	-	-	1,565	4,387	-	5,952
At 31.3.2014	15,725,972	122,823,222	45,326,454	78,875,245	14,603,002	19,677,207	32,293,354	-	329,324,456
Accumulated depreciation									
At 1.1.2013	726,959	19,612,596	2,802,717	52,760,937	9,069,956	9,556,877	9,577,453	-	104,107,495
Charge for the period	231,998	2,655,958	912,361	8,162,085	1,845,719	2,110,094	3,863,438	-	19,781,653
Disposals	-	-	-	(2,193,481)	(145,600)	(15,095)	-	-	(2,354,176)
Write-offs	-	-	-	-	-	-	(1,048)	-	(1,048)
Exchange differences	-	-	-	-	-	1,227	2,340	-	3,567
At 31.3.2014	958,957	22,268,554	3,715,078	58,729,541	10,770,075	11,653,103	13,442,183	-	121,537,491
Net carrying amount									
At 31.3.2014	14,767,015	100,554,668	41,611,376	20,145,704	3,832,927	8,024,104	18,851,171	-	207,786,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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

Group As at 31.12.2012	**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**	**Construction in progress RM**	**Total RM**
Cost									
At 1.1.2012	15,725,972	105,245,188	39,881,454	70,116,099	10,693,112	16,061,328	25,357,749	1,797,000	284,877,902
Additions	-	-	-	2,870,899	647,630	1,705,151	4,957,221	7,875,000	18,055,901
Disposals	-	-	-	(1,935,988)	(569,310)	(89,884)	-	-	(2,595,182)
Exchange differences	-	-	-	-	-	1,827	4,440	-	6,267
At 31.12.2012	15,725,972	105,245,188	39,881,454	71,051,010	10,771,432	17,678,422	30,319,410	9,672,000	300,344,888
Accumulated depreciation									
At 1.1.2012	541,360	17,740,233	2,324,626	47,120,407	8,162,551	7,940,173	6,743,131	-	90,572,481
Charge for the year	185,599	1,872,363	478,091	7,511,943	1,471,243	1,657,834	2,832,398	-	16,009,471
Disposals	-	-	-	(1,871,413)	(563,838)	(42,225)	-	-	(2,477,476)
Exchange differences	-	-	-	-	-	1,095	1,924	-	3,019
At 31.12.2012	726,959	19,612,596	2,802,717	52,760,937	9,069,956	9,556,877	9,577,453	-	104,107,495
Net carrying amount									
At 31.12.2012	14,999,013	85,632,592	37,078,737	18,290,073	1,701,476	8,121,545	20,741,957	9,672,000	196,237,393

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company **As at 31.3.2014** **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**	**Construction in progress RM**	**Total RM**
At 1.1.2013	15,687,401	91,261,525	39,274,288	65,887,307	10,762,755	17,630,902	30,122,516	9,672,000	280,298,694
Additions	-	9,703,034	-	10,411,148	2,175,010	1,991,525	1,946,245	-	26,226,962
Disposals	-	-	-	(2,586,913)	(145,600)	(63,500)	-	-	(2,796,013)
Write-offs	-	-	-	-	-	-	(31,450)	-	(31,450)
Reclassification	-	7,875,000	-	-	1,797,000	-	-	(9,672,000)	-
At 31.3.2014	15,687,401	108,839,559	39,274,288	73,711,542	14,589,165	19,558,927	32,037,311	-	303,698,193
Accumulated depreciation									
At 1.1.2013	688,388	5,127,799	2,115,291	46,131,473	9,062,762	9,484,412	9,440,749	-	82,050,874
Charge for the period	231,998	2,655,958	597,614	8,162,085	1,844,947	2,097,627	3,834,082	-	19,424,311
Disposals	-	-	-	(2,193,481)	(145,600)	(15,095)	-	-	(2,354,176)
Write-offs	-	-	-	-	-	-	(1,048)	-	(1,048)
At 31.3.2014	920,386	7,783,757	2,712,905	52,100,077	10,762,109	11,566,944	13,273,783	-	99,119,961
Net carrying amount									
At 31.3.2014	14,767,015	101,055,802	36,561,383	21,611,465	3,827,056	7,991,983	18,763,528	-	204,578,232

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company As at 31.12.2012	Freehold land and building	Leasehold buildings	Leasehold land	Motor vehicles	Plant and machinery	Office equipment, furniture and fittings	Air conditioners, office renovation and pallets	Construction in progress	Total
Cost	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1.1.2012	15,687,401	91,261,525	39,274,288	64,952,396	10,684,435	16,018,518	25,165,295	1,797,000	264,840,858
Additions	-	-	-	2,870,899	647,630	1,702,268	4,957,221	7,875,000	18,053,018
Disposals	-	-	-	(1,935,988)	(569,310)	(89,884)	-	-	(2,595,182)
At 31.12.2012	15,687,401	91,261,525	39,274,288	65,887,307	10,762,755	17,630,902	30,122,516	9,672,000	280,298,694
Accumulated depreciation									
At 1.1.2012	502,789	3,284,281	1,637,200	40,490,943	8,155,562	7,912,987	6,627,758	-	68,611,520
Charge for the year	185,599	1,843,518	478,091	7,511,943	1,471,038	1,613,650	2,812,991	-	15,916,830
Disposals	-	-	-	(1,871,413)	(563,838)	(42,225)	-	-	(2,477,476)
At 31.12.2012	688,388	5,127,799	2,115,291	46,131,473	9,062,762	9,484,412	9,440,749	-	82,050,874
Net carrying amount									
At 31.12.2012	14,999,013	86,133,726	37,158,997	19,755,834	1,699,993	8,146,490	20,681,767	9,672,000	198,247,820

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Motor vehicles	205,010	570,628

3. INVESTMENT IN SUBSIDIARY COMPANIES

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Unquoted shares at cost	14,262,565	14,262,565

The Group has assessed the non-controlling interest in the subsidiaries of the Group and has determined that the non-controlling interest are not individually material to the Group's financial position, performance and cash flows.

Details of the subsidiary companies are as follows:

	Equity interest			
	As at 31.3.2014 %	As at 31.12.2012 %	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 and logistics services
*Trans-Asia Shipping Pte Ltd	100	100	Singapore	Customs broking, handling agency and freight forwarding services
Maya Kekal Sdn Bhd	100	100	Malaysia	Trading
Precious Fortunes Sdn Bhd	100	100	Malaysia	Warehouse rental
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 a member firm of Mazars in Singapore*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

4. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 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	1,182,964	1,650,611	-	-
	4,182,964	4,650,611	3,000,000	3,000,000

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

	Equity interest		Principal activities
	As at 31.3.2014 %	As at 31.12.2012 %	
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Warehouse rental

The financial year end of Agate Electro Supplies Sdn Bhd is 31 December. The financial year end of Agate Electro Supplies Sdn Bhd is determined by the controlling shareholders of Agate Electro Supplies Sdn Bhd since its incorporation. For the purpose of applying the equity method in the consolidated financial statements, the financial statements of Agate Electro Supplies Sdn Bhd for the year ended 31 December 2013 have been used.

The Group's share in the results of the associated company is as follow:

	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Group's share of profit	620,941	601,209
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	620,941	601,209

5. OTHER INVESTMENTS

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Classified as AFS financial assets		
Shares quoted in Malaysia at cost	-	26,000
Unquoted shares at cost	367,700	367,700
Transferable corporate club memberships at cost	856,403	856,403
	1,224,103	1,250,103
Impairment loss - unquoted shares	(19,999)	(19,999)
	1,204,104	1,230,104
Market value of shares quoted in Malaysia	-	11,300

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

6. INVENTORIES

Inventories represent parts and consumables at cost.

7. TRADE RECEIVABLES

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Gross trade receivables	84,240,567	64,793,475	77,440,931	61,887,412
Allowance for doubtful debts	(2,248,288)	(1,509,460)	(2,248,288)	(1,509,460)
	81,992,279	63,284,015	75,192,643	60,377,952

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

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	76,392,378	61,195,702	75,155,568	58,660,259
- United States Dollar	6,041,455	3,001,335	1,754,557	3,001,335
- Singapore Dollar	1,794,284	596,438	518,356	225,818
- Thai Baht	12,450	-	12,450	-
	84,240,567	64,793,475	77,440,931	61,887,412

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.

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Other receivables	5,122,620	1,193,571	1,776,944	1,189,346
Deposits	2,719,307	3,663,519	2,608,864	2,555,902
Prepayments	2,777,270	4,410,594	2,401,104	1,600,590
Derivative financial assets	476,252	-	476,252	-
	11,095,449	9,267,684	7,263,164	5,345,838

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

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	10,427,437	9,267,684	6,786,912	5,345,838
- United States Dollar	476,252	-	476,252	-
- Singapore Dollar	191,760	-	-	-
	11,095,449	9,267,684	7,263,164	5,345,838

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

9. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Trade accounts	952,226	5,211,507
Non-interest bearing advances	10,885,542	4,229,577
	11,837,768	9,441,084

The amounts owing to subsidiary companies comprise:

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Trade accounts	7,451,291	6,510,384
Non-interest bearing advances	27,307,344	24,936,474
Unpaid consideration for property, plant and equipment acquired	5,582,188	11,549,750
	40,340,823	42,996,608

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 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	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	5,432,446	4,210,190	5,432,446	4,208,709
- US Dollar	3,625,079	3,340,001	3,625,079	3,340,001
- Singapore Dollar	521,672	527,780	521,672	527,780
- Thai Baht	129,504	454,112	129,504	454,112
- Japanese Yen	16,745	-	16,745	-
	9,725,446	8,532,083	9,725,446	8,530,602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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

Amount owing to related companies comprise:

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Trade accounts	5,136,318	5,970,176	5,136,318	5,968,695
Management fees payable	19,604	23,896	19,604	23,896
	5,155,922	5,994,072	5,155,922	5,992,591

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

	Group		Company	
	31.3.2014 RM	31.12.2012 RM	31.3.2014 RM	31.12.2012 RM
Ringgit Malaysia	621,170	4,375,185	621,170	4,373,704
Singapore dollar	198,453	1,618,887	198,453	1,618,887
United States Dollar	1,478,458	-	1,478,458	-
Thai Baht	85,955	-	85,955	-
Japanese Yen	1,814,382	-	1,814,382	-
Australia Dollar	4,805	-	4,805	-
Canada Dollar	2,789	-	2,789	-
Chinese Yuan Renminbi	387,090	-	387,090	-
Euro	141,797	-	141,797	-
Great Britain Pound	9,547	-	9,547	-
Hong Kong Dollar	184,403	-	184,403	-
Indian Rupee	2,225	-	2,225	-
South Korean Won	142,304	-	142,304	-
New Taiwan Dollar	76,776	-	76,776	-
Swedish Krona	5,768	-	5,768	-
	5,155,922	5,994,072	5,155,992	5,992,591

11. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the Group's and of the Company's deposits range from 2.80 % to 3.05% (31.12.2012: 2.80 % to 3.05%) per annum. All the deposits have maturities of three months or less.

12. CASH AND BANK BALANCES

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

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	16,867,756	10,421,597	13,678,892	8,021,734
- US Dollar	3,336,806	989,481	3,336,806	989,481
- Singapore Dollar	2,321,452	1,262,160	499,719	1,010,647
- Thai Baht	74,193	74,660	74,193	74,660
	22,600,207	12,747,898	17,589,610	10,096,522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

13. SHARE CAPITAL

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

13. SHARE CAPITAL (CONT'D)

(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. BANK TERM LOANS

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
The long term bank loans are repayable as follows:		
- not later than one year (included under current liabilities)	11,292,828	12,799,996
- later than one year but not later than five years (included under non-current liabilities)	12,873,024	19,742,484
	24,165,852	32,542,480

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

14. 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	As at 31.3.2014 RM	As at 31.12.2012 RM
16,800,000	280,000	1 September 2009	0.875% above KLIBOR	1,288,682	4,814,036
5,000,000	83,333	8 February 2010	0.875% above KLIBOR	794,965	3,070,476
5,200,000	86,667	16 March 2010	0.875% above KLIBOR	933,813	1,856,060
8,000,000	133,333	22 March 2010	0.875% above KLIBOR	1,390,980	2,061,315
3,000,000	50,000	25 February 2011	0.875% above KLIBOR	1,209,488	1,866,214
3,000,000	50,000	31 March 2011	0.875% above KLIBOR	1,262,075	1,915,325
1,500,000	25,000	29 August 2011	0.875% above KLIBOR	776,308	1,964,435
1,500,000	25,000	30 September 2011	0.875% above KLIBOR	803,077	2,013,546
3,000,000	50,000	29 April 2011	0.875% above KLIBOR	1,314,662	2,062,657
3,000,000	50,000	31 May 2011	0.875% above KLIBOR	1,367,248	2,332,280
3,000,000	50,000	29 June 2011	0.875% above KLIBOR	1,419,835	1,100,000
3,000,000	50,000	29 July 2011	0.875% above KLIBOR	1,499,078	1,125,000
1,500,000	25,000	31 October 2011	0.875% above KLIBOR	829,847	1,150,000
1,500,000	25,000	30 November 2011	0.875% above KLIBOR	856,616	1,175,000
2,000,000	33,333	20 December 2011	0.875% above KLIBOR	1,177,857	1,600,004
3,000,000	50,000	1 April 2012	0.875% above KLIBOR	1,841,321	2,436,132
6,000,000	50,000	9 July 2013	4.25% at fixed rate per annum.	5,400,000	-
				24,165,852	32,542,480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

15. HIRE PURCHASE AND FINANCE LEASE LIABILITIE

	Group/Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM
Total future installments payable	13,127	318,449
Unexpired term charges	-	(7,745)
Total outstanding principal	13,127	310,704
Future installments payable		
- not later than one year	13,127	305,286
- later than one year but not later than 5 years	-	13,163
Total future installments payable	13,127	318,449
Outstanding principal		
- not later than one year (included under current liabilities)	13,127	290,797
- later than one year but not later than 5 years (included under non-current liabilities)	-	19,907
Total outstanding principal	13,127	310,704

The effective interest rates of the hire purchase are between 2.52% to 3.45% (31.12.2012 : 2.52% to 3.45%) per annum.

16. DEFERRED TAX LIABILITIES

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
At beginning of the period/year	8,730,592	13,104,587	8,358,425	12,713,000
Transfer from/(to) profit or loss	39,458	(4,373,995)	65,107	(4,354,575)
At end of the period/year	8,770,050	8,730,592	8,423,532	8,358,425

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

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	8,424,480	8,396,491	8,423,532	8,394,153
- surplus on revaluation of land and buildings	345,570	369,829	-	-
- unpaid qualifying expenditure of assets acquired under hire purchase	-	(35,728)	-	(35,728)
	8,770,050	8,730,592	8,423,532	8,358,425

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

17. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	35,491,622	24,792,208	30,413,478	22,543,614
- Singapore Dollar	1,100,238	999,764	27,272	879,159
- Thai Baht	136,253	225,577	136,253	225,577
- US Dollar	109,332	159,345	109,332	159,345
- Japanese Yen	-	952	-	952
- Chinese Yuan Renminbi	18,244	-	18,244	-
- Euro	5,208	-	5,208	-
- Norwegian Krone	18,701	-	18,701	-
	36,879,598	26,177,846	30,728,488	23,808,647

The credit terms extended normally range between 15 and 60 days.

18. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Other sundry payables, deposits and accruals	22,953,050	12,479,091	21,104,086	11,146,734
Derivative financial liabilities	-	2,066,064	-	2,066,064
	22,953,050	14,545,155	21,104,086	13,212,798

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

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
- Ringgit Malaysia	22,241,975	12,479,091	21,104,086	11,146,734
- US Dollar	-	2,066,064	-	2,066,064
- Singapore Dollar	711,075	-	-	-
	22,953,050	14,545,155	21,104,086	13,212,798

19. AMOUNTS OWING BY ASSOCIATED COMPANY

The amounts owing by the associated company represent a trade balance that is expected to be settled within the normal credit period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

20. REVENUE

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Air freight forwarding	154,491,827	130,540,363	154,491,827	130,540,363
Customs clearance	84,094,869	71,326,216	84,094,869	71,326,216
Warehousing	133,195,755	91,039,564	105,709,621	84,283,001
Container haulage	30,488,796	25,997,158	30,488,796	25,997,158
Trucking	94,270,524	78,753,715	87,938,654	75,471,283
Sea freight forwarding	47,500,937	32,979,471	47,500,937	32,979,471
Auto logistic services	11,506,116	9,374,048	11,506,116	9,374,048
Buyers consolidation services	4,064,508	2,437,867	4,064,508	2,437,867
	559,613,332	442,448,402	525,795,328	432,409,407

21. PROFIT FROM OPERATIONS

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	144,063	122,261	77,500	80,000
- review of quarterly financial statements	85,000	53,546	85,000	53,546
Allowance for doubtful debts	738,828	-	738,828	-
Depreciation	19,781,653	16,009,471	19,424,311	15,916,830
Directors' remuneration				
- fees	247,000	228,000	247,000	228,000
- other emoluments	3,348,378	2,563,838	3,006,142	2,135,691
Impairment of goodwill	-	864,854	-	-
Loss on disposal of investment in quoted shares	8,968	-	8,968	-
Realised loss on foreign exchange	-	627,636	-	627,636
Unrealised loss on foreign exchange	-	94,056	-	94,056
Property, plant and equipment written off	30,402	-	30,402	-
Operating lease rentals				
- land and buildings	13,679,175	9,724,390	11,369,256	8,572,627
- trucks	5,361,931	7,995,234	2,633,054	2,644,670
- forklifts	2,153,936	1,926,608	1,972,687	1,902,490
- office equipment	776,176	658,454	771,888	658,454
and crediting:				
Allowance for doubtful debts written back	-	155,066	-	155,066
Gain on disposal of property plant and equipment	411,563	661,324	387,563	661,324
Operating lease income from land and buildings	394,500	323,200	394,500	318,000
Realised gain on foreign exchange	132,381	-	132,381	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

22. OTHER INCOME

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Gross dividends from				
- associated company	-	-	1,088,588	1,088,587
- unquoted investments	74,298	41,619	74,298	41,619
Interest income	939,372	967,972	939,372	967,972
Gain on disposal of property, plant and equipment	411,563	661,324	387,563	661,324
Realised gain on foreign exchange	132,381	-	132,381	-
Rental income	394,500	323,200	394,500	318,000
Sundry income	245,044	177,378	28,204	120,830
	2,197,158	2,171,493	3,044,906	3,198,332

23. FINANCE COSTS

	Group/Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Interest paid and payable on		
- hire purchase	8,496	21,990
- term loans	1,461,644	1,606,646
	1,470,140	1,628,636

24. TAX EXPENSE

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Malaysian tax based on results for the period/year				
- current	11,482,014	10,974,413	10,743,288	10,390,679
- deferred	(228,232)	(752,936)	(202,583)	(733,570)
	11,253,782	10,221,477	10,540,705	9,657,109
Under/(Over) provision in prior years				
- current	27,229	(261,130)	26,813	(264,143)
- deferred	267,690	(3,621,059)	267,690	(3,621,005)
	11,548,701	6,339,288	10,835,208	5,771,961

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

24. TAX EXPENSE (CONT'D)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax excluding share of results of associates analysed as follows:

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Accounting profit	41,439,585	35,315,146	39,812,719	34,958,509
Taxation at applicable statutory tax rate of 25%	10,359,896	8,828,787	9,953,180	8,739,627
Tax effects arising from:				
- non-deductible expenses	911,839	1,877,817	859,672	1,869,087
- non-taxable income	-	(617,502)	(272,147)	(951,604)
Deferred tax benefits not recognised	-	89,349	-	-
Realisation of deferred tax benefits previously not recognised	(19,885)	-	-	-
Effect of different tax rate in another country	2,379	43,026	-	-
Under/(Over) provision in prior years	294,919	(3,882,189)	294,503	(3,885,149)
	11,548,701	6,339,288	10,835,208	5,771,961

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

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Unabsorbed tax losses	2,569,325	2,650,654	-	-

The Company is on the single tier income tax system. Accordingly the entire retained earnings of the Company are available for distribution by way of dividends without incurring additional tax liability.

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 RM30,409,124 (31.12.2012: RM28,889,232) by the number of shares in issue of 100,000,000 (31.12.2012: 100,000,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

26. DIVIDENDS

	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
In respect of the financial year ended 31 December 2011:		
Final dividend of 12.90 sen per share, comprising a tax exempt portion of 1.3 sen and a franked portion of 11.60 sen less 25% tax	-	10,000,000
In respect of the financial year ended 31 December 2012:		
Interim dividend of 5.34 sen per share less 25% tax	-	4,005,000
Final dividend of 6.67 sen per share less 25% tax	5,002,496	-
In respect of the financial year ended 31 December 2013:		
Interim dividend of 5.34 sen per share less 25% tax	4,004,999	-
	9,007,495	14,005,000

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Aggregate cost of property, plant and equipment acquired	31,801,079	18,055,901	26,226,962	18,053,018
Cash paid in respect of the previous year's acquisition	-	179,700	-	179,700
Total cash paid during the financial period/year	31,801,079	18,235,601	26,226,962	18,232,718

28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Employee benefits expense	81,705,491	58,993,314	61,217,837	46,180,069

Included in the employee benefits expense are EPF contributions amounting to RM6,434,113 (31.12.2012 : RM RM4,505,037) for the Group and RM4,409,042 (31.12.2012 : RM3,274,215) for the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

29. RELATED PARTY DISCLOSURES

Significant related party transactions during the financial period/year were as follows:

	Transaction value Company		Balance outstanding Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Transactions with subsidiary companies				
Rental of trucks paid and payable	567,150	434,220	137,070	70,090
Labour charges paid and payable	21,538,497	15,510,764	3,511,009	2,004,987
Maintenance charges paid and payable	6,105,673	3,696,702	1,680,866	2,147,254
Handling fees paid and payable	1,476,940	1,080,506	2,122,346	857,973
Related logistic services paid	26,630	6,216	-	12,716
Handling fees received and receivable	545,837	126,323	24,380	607,806
Related logistics services received and receivable	4,438,477	8,930,648	257,748	834,913
Rental of premises received	120,000	304,072	326,298	650
Rental of trucks received and receivable	4,159,420	253,086	343,800	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

29. RELATED PARTY DISCLOSURES (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Transactions with related companies								
Related logistic services received and receivable	73,380,301	56,109,263	73,380,301	56,109,263	9,725,446	8,738,764	9,725,446	8,738,764
Rental received and receivable	375,000	300,000	375,000	300,000	-	13,851	-	13,851
Related logistic services paid and payable	66,728,485	52,901,216	66,728,485	52,901,216	5,136,318	5,933,492	5,136,318	5,933,492
Management fee paid and payable	2,740,870	251,914	2,740,870	251,914	19,604	23,896	19,604	23,896
Consultancy fees paid	431,770	547,214	431,770	547,214	-	-	-	-
Transactions with associated company								
Rental of premises paid and payable	1,410,750	1,128,600	1,410,750	1,410,750	54,037	1,410,750	54,037	1,410,750
Accounting fee received	19,200	19,200	19,200	19,200	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

30. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM (Restated)	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM (Restated)
Directors				
Short-term employee benefits				
- salary, bonus and allowances	3,303,470	2,540,356	2,961,234	2,158,213
Post-employment benefits				
- EPF	291,908	251,482	291,908	205,478
	3,595,378	2,791,838	3,253,142	2,363,691
Other key management personnel				
Short-term employee benefits				
- salary, bonus and allowances	1,073,000	895,315	1,073,000	895,315
Post-employment benefits				
- EPF	74,214	60,332	74,214	60,332
	1,147,214	955,647	1,147,214	955,647
Total compensation	4,742,592	3,747,485	4,400,356	3,319,338

31. 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 include contingent rents. There are no restrictions placed on 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	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Not later than one year	2,664,218	6,608,552	2,664,218	4,566,104
Later than one year but not later than 5 years	846,450	3,521,632	846,450	2,160,000
	3,510,668	10,130,184	3,510,668	6,726,104

The Group as lessor

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

32. OTHER COMMITMENTS

	Group		Company	
	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM	15 months ended 31.3.2014 RM	Year ended 31.12.2012 RM
Authorised and contracted for acquisition of property, plant and equipment	32,557,950	11,279,586	3,770,497	11,279,586

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

As at 31.3.2014 Group	Loans and receivables RM	Available-for-sale RM	Total RM
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,204,104	1,204,104
Trade receivables	81,992,279	-	81,992,279
Other receivables excluding prepayments	8,318,179	-	8,318,179
Amounts owing by related companies	9,725,446	-	9,725,446
Amount owing by associated company	54,037	-	54,037
Fixed deposits with a licensed banks	29,861,167	-	29,861,1670
Cash and bank balances	22,600,207	-	22,600,207
Total financial assets	152,551,315	1,204,104	153,755,419

As at 31.12.2012 Group	Loans and receivables RM	Available-for-sale RM	Total RM
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,230,104	1,230,104
Trade receivables	63,284,015	-	63,284,015
Other receivables excluding prepayments	4,857,090	-	4,857,090
Amounts owing by related companies	8,532,083	-	8,532,083
Amount owing by associated company	54,037	-	54,037
Fixed deposits with a licensed banks	39,950,655	-	39,950,655
Cash and bank balances	12,747,898	-	12,747,898
Total financial assets	129,425,778	1,230,104	130,655,882

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

33. FINANCIAL INSTRUMENTS (CONT'D)

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

As at 31.3.2014 **Group**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	36,879,598
Other payables and accruals and derivatives	22,953,050
Amounts owing to related companies	5,155,922
Bank term loans	24,165,852
Hire purchase and finance lease liabilities	13,127
Total financial liabilities	89,167,549

As at 31.12.2012 **Group**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	26,177,846
Other payables and accruals and derivatives	14,545,155
Amounts owing to related companies	5,994,072
Bank term loans	32,542,480
Hire purchase and finance lease liabilities	310,704
Total financial liabilities	79,570,257

As at 31.3.2014 **Company**	**Loans and receivables** **RM**	**Available-for-sale** **RM**	**Total** **RM**
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,204,104	1,204,104
Trade receivables	75,192,643	-	75,192,643
Other receivables excluding prepayments	4,862,060	-	4,862,060
Amounts owing by subsidiaries companies	11,837,768	-	11,837,768
Amounts owing by related companies	9,725,446	-	9,725,446
Amount owing by associated company	54,037	-	54,037
Fixed deposits with a licensed banks	29,861,167	-	29,861,167
Cash and bank balances	17,589,610	-	17,589,610
Total financial assets	149,122,731	1,204,104	150,326,835

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

33. FINANCIAL INSTRUMENTS (CONT'D)

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

As at 31.12.2012 **Company**	**Loans and receivables** **RM**	**Available-for-sale** **RM**	**Total** **RM**
Financial assets			
Assets as per statement of financial position			
Other investments	-	1,230,104	1,230,104
Trade receivables	60,377,952	-	60,377,952
Other receivables excluding prepayments	3,745,248	-	3,745,248
Amounts owing by subsidiaries companies	9,441,084	-	9,441,084
Amounts owing by related companies	8,530,602	-	8,530,602
Amount owing by associated company	54,037	-	54,037
Fixed deposits with a licensed banks	39,950,655	-	39,950,655
Cash and bank balances	10,096,522	-	10,096,522
Total financial assets	132,196,100	1,230,104	133,426,204

As at 31.3.2014 **Company**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	30,728,488
Other payables and accruals and derivatives	21,104,086
Amounts owing to subsidiary companies	40,340,823
Amounts owing to related companies	5,155,922
Bank term loans	24,165,852
Hire purchase and finance lease liabilities	13,127
Total financial liabilities	121,508,298

As at 31.12.2012 **Company**	**At amortised cost** **RM**
Financial liabilities	
Liabilities as per statement of financial position	
Trade payables	23,808,647
Other payables and accruals and derivatives	13,212,798
Amounts owing to subsidiary companies	42,996,608
Amounts owing to related companies	5,992,591
Bank term loans	32,542,480
Hire purchase and finance lease liabilities	310,704
Total financial liabilities	118,863,828

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

33. FINANCIAL INSTRUMENTS (CONT'D)

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

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 approximate their fair values except for the following:

	Group/Company	
	Carrying amount RM	Fair Value RM
As at 31.3.2014		
Other investments		
Shares quoted in Malaysia	-	-
Unquoted shares	367,700	*
Transferable corporate club memberships	856,403	*
As at 31.12.2012		
Other investments		
Shares quoted in Malaysia	26,000	11,300
Unquoted shares	367,700	*
Transferable corporate club memberships	856,403	*

* 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

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).

As at 31.3.2014 **Group/Company**	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial assets				
Derivative financial assets	-	476,252	-	476,252
As at 31.12.2012				
Financial liabilities				
Derivative financial liabilities	-	2,066,064	-	2,066,064

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

34. 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 a 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 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 strengthens or weakens 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 RM280,016 (31.12.2012: RM359,115).

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

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 March 2014. 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 RM162,527 (31.12.2012: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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

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.

Apart from a customer of the Company, the Company does not have significant credit risk exposure to any single debtor or any group of debtors. The amount due from the said customer amounted to RM21.0 million (31.12.2012: RM6.6 million) or 25% (31.12.2012: 8.5%) of gross trade receivables at the end of the reporting period.

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 who 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 March/December which are trade in nature is as follows:

As at 31.3.2014	**Group**		**Company**	
	Gross RM	**Impairment RM**	**Gross RM**	**Impairment RM**
Not past due	31,121,953	-	30,678,270	-
Less than 30 days past due	34,677,464	-	29,369,898	-
Between 30 and 90 days past due	14,306,561	-	13,954,762	-
More than 90 days past due	4,134,589	2,248,288	3,438,001	2,248,288
	84,240,567	2,248,288	77,440,931	2,248,288
Under current assets:				
Amount owing by related companies	9,725,446	-	9,725,446	-
Amount owing by associated company	54,037	-	54,037	-

As at 31.12.2012	**Group**		**Company**	
	Gross RM	**Impairment RM**	**Gross RM**	**Impairment RM**
Not past due	38,269,456	-	37,935,091	-
Less than 30 days past due	11,455,462	-	10,628,636	-
Between 30 and 90 days past due	11,676,779	-	10,438,796	-
More than 90 days past due	3,391,778	1,509,460	2,884,889	1,509,460
	64,793,475	1,509,460	61,887,412	1,509,460
Under current assets:				
Amount owing by related companies	8,532,083	-	8,530,602	-
Amount owing by associated company	54,037	-	54,037	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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

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

	Group RM	Company RM
At 1.1.2013	1,509,460	1,509,460
Additions of allowance for doubtful debts	738,828	738,828
At 31.3.2014	2,248,288	2,248,288

Liquidity and cash flow risks

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

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

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

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

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

As at 31.3.2014	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	36,879,598	-	-	36,879,598
Other payables, deposit and accruals	22,953,050	-	-	22,953,050
Amount owing to related companies	5,155,922	-	-	5,155,922
Hire purchase and finance lease liabilities	13,127	-	-	13,127
Borrowings	11,743,412	10,986,199	2,447,880	25,177,491
Total undiscounted financial liabilities	76,745,109	10,986,199	2,447,880	90,179,188

As at 31.3.2014	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Company				
Trade payables	30,728,488	-	-	30,728,488
Other payables, deposit and accruals	21,104,086	-	-	21,104,086
Amount owing to subsidiary companies	40,340,823	-	-	40,340,823
Amount owing to related companies	5,155,922	-	-	5,155,922
Hire purchase and finance lease liabilities	13,127	-	-	13,127
Borrowings	11,743,412	10,986,199	2,447,880	25,177,491
Total undiscounted financial liabilities	109,085,858	10,986,199	2,447,880	122,519,937

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

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

As at 31.12.2012	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	26,177,846	-	-	26,177,846
Other payables, deposit and accruals	14,545,155	-	-	14,545,155
Amount owing to related companies	5,994,072	-	-	5,994,072
Hire purchase and finance lease liabilities	305,286	13,163	-	318,449
Borrowings	13,306,876	20,296,553	-	33,603,429
Total undiscounted financial liabilities	60,329,235	20,309,716	-	80,638,951

As at 31.12.2012	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Company				
Trade payables	23,808,647	-	-	23,808,647
Other payables, deposit and accruals	13,212,798	-	-	13,212,798
Amount owing to subsidiary companies	42,996,608	-	-	42,996,608
Amount owing to related companies	5,992,591	-	-	5,992,591
Hire purchase and finance lease liabilities	305,286	13,163	-	318,449
Borrowings	13,306,876	20,296,553	-	33,603,429
Total undiscounted financial liabilities	99,622,806	20,309,716	-	119,932,522

35. 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 to 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 period.

The Group's total debt- to- equity ratios at 31 March 2014 and 31 December 2012 were as follow:

	As at 31.3.2014 RM	As at 31.12.2012 RM
Share capital	100,000,000	100,000,000
Reserves	177,132,680	155,485,251
Total equity	277,132,680	255,485,251
Hire purchase liabilities	13,127	310,704
Short term borrowings	11,292,828	12,799,996
Long term borrowings	12,873,024	19,742,484
Total debt	24,178,979	32,853,184
Total debt to equity ratio (times)	0.09	0.13

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

36. SEGMENTAL ANALYSIS

(a) Primary reporting format - business segment

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

(i)	Air Freight Forwarding Division ("AFF")	- Airfreight forwarding
(ii)	Contract Logistics Division ("CLD")	- Customs forwarding, warehousing, container haulage and Auto Logistic services
(iii)	Trucking Division ("TD")	- Trucking
(iv)	Ocean Freight Forwarding Division ("OFF")	- Sea freight forwarding
(i)	Origin Cargo Order and Vendor Management Division ("OCM")	- 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.

15 months ended 31.3.2014	AFF RM	CLD RM	TD RM	OFF RM	OCM RM	Consolidated RM
REVENUE						
External sales	154,491,827	259,285,536	94,270,524	47,500,937	4,064,508	559,613,332
RESULTS						
Segment results	4,687,193	33,625,128	508,459	1,942,996	769,958	41,533,735
Unallocated corporate income						1,375,990
Profit from operations						42,909,725
Share of associated company's profits						620,941
Finance costs						(1,470,140)
Profit before tax						42,060,526
Tax expense						(11,548,701)
Profit for the period						30,511,825

Year ended 31.12.2012	AFF RM	CLD RM	TD RM	OFF RM	OCM RM	Consolidated RM
REVENUE						
External sales	130,540,363	197,736,986	78,753,715	32,979,471	2,437,867	442,448,402
RESULTS						
Segment results	2,576,558	30,721,600	2,823,117	1,136,248	110,026	37,367,549
Unallocated corporate income						(1,024,976)
Profit from operations						36,342,573
Share of associated company's profits						601,209
Finance costs						(1,628,636)
Profit before tax						35,315,146
Tax expense						(6,339,288)
Profit for the year						28,975,858

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTHS ENDED 31 MARCH 2014

37. CHANGE OF FINANCIAL YEAR END DATE

The Company changed its financial year end date from 31 December to 31 March to be co-terminous with that of the holding company. Accordingly, the comparative figures, which cover the financial year ended 31 December 2012, may not be comparable with the current period's financial figures.

38. COMPARATIVE DISCLOSURE FIGURES

Certain comparative disclosure figures have been restated to conform with the current year's presentation.

	Year ended 31.12.2012	
	After restatement RM	As previously stated RM
Key Management Personnel Compensation		
Group		
Directors		
Short-term employee benefits		
- salary, bonus and allowances	2,540,356	1,478,745
Post-employment benefits		
- EPF	251,482	110,352
	2,791,838	1,589,097
Other key management personnel		
Short-term employee benefits		
- salary, bonus and allowances	895,315	2,501,238
Post-employment benefits		
- EPF	60,332	268,243
	955,647	2,769,481
Total compensation	3,747,485	4,358,578
Company		
Directors		
Short-term employee benefits		
- salary, bonus and allowances	2,158,213	1,209,252
Post-employment benefits		
- EPF	205,478	110,352
	2,363,691	1,319,604
Other key management personnel		
Short-term employee benefits		
- salary, bonus and allowances	895,315	2,501,238
Post-employment benefits		
- EPF	60,332	268,243
	955,647	2,769,481
Total compensation	3,319,338	4,089,085

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 20 May 2014.

SUPPLEMENTARY INFORMATION

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

The breakdown of the retained profits of the Group and the Company as at 31 March/December, into realised and unrealised profits/losses, pursuant to the directive, are as follows:

	Group		Company	
	As at 31.3.2014 RM	As at 31.12.2012 RM	As at 31.3.2014 RM	As at 31.12.2012 RM
Total retained profits of the Company and its subsidiaries:-				
- Realised	191,788,303	169,943,391	159,521,670	139,486,546
- Unrealised	(8,424,479)	(8,455,819)	(8,423,532)	(8,358,424)
	183,363,824	161,487,572	151,098,138	131,128,122
Total shares of retained profits from associated company:-				
- Realised	1,182,964	1,670,253	-	-
- Unrealised	-	-	-	-
	184,546,788	163,157,825	151,098,138	131,128,122
Less: Consolidation adjustments	(9,426,311)	(9,438,977)	-	-
Total Group's and Company's retained profits as per statements of financial position	175,120,477	153,718,848	151,098,138	131,128,122

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 50 to 103 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 March 2014 and of their financial performance and cash flows for the 15 months ended 31 March 2014;

(b) in accordance with Malaysian Financial Reporting Standards, International 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 20 May 2014

LEE CHECK POH
Director

LIM JEW KIAT
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) 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 50 to 103 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)
)
)
) TAN KIM YONG

Before me:
BALOO A/L T. PICHAI
No. 663

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 31.3.2014 (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 Warehouse F Warehouse E	Leasehold 99 years expiring 09.07.2094	Land - 92,701 Built-up - 26,718	25 years	30 Jun 2009	74,216
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	6 years 3 years	25 May 2004	29,455
	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	85
3.	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai, Pulau Pinang	Industrial Land	Penang Prai Logistics Centre	Leasehold 99years expiring 23.10.2110	Land - 20,611 Built-up- 9,282	22 years	18 Jul 2008	13,756
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	22 years	19 Feb 2008	12,152
5.	Bayan Lepas Plot 93 Lintang Bayan Lepas 9 Taman Perindustrian Bayan Lepas Fasa IV, 11900 Bayan Lepas Pulau Pinang	Industrial Land	Penang Air Freight Logistics Centre	Leasehold 60 years expiring 31.01.2062	Land - 8,146 Built-up - 3,040	7 years	04 Jun 2008	7,218
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	40 years	11 Feb 2008	6,126
7.	Port of Tanjung Pelepas Plot D28E, Distripark B Pelepas Free Trade Zone Port of Tanjung Pelepas Johor	Industrial Land	Vacant Land	Leasehold 60 years expiring 23.03.2055	Land - 20,233	NA	19.03.2012	5,100
8.	Alor Gajah Plot 1873 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre	Leasehold 99 years from the date of registration of title	Land - 11,776 Built-up - 2,683	4 years	01 Apr 2010	5,081
9.	Kinta Lot No. 21402 Lebuh Perusahaan Klebang 11 Kawasan Perusahaan International IGB 31200 Ipoh Perak	Industrial Land	Ipoh Logistics Centre	Freehold	Land - 9,864 Built-up - 1794	6 years	11 Jan 2007	3,561
10.	Bandar Baru Bangi No. 19, Jalan P/9A, Kawasan Perusahaan Seksyen 13 Bandar Baru Bangi Selangor	Industrial Land	In-house Workshop	Leasehold 99 years expiring 29.09.2086	Land - 465 Built-up - 195	23 years	22 May 1991	183

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JULY 2014

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 ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	No. of Holders	Total Holdings	%
Less than 100 shares	12	360	0.00
100 to 1,000 shares	284	237,700	0.24
1,001 to 10,000 shares	917	4,394,840	4.39
10,001 to 100,000 shares	246	7,027,600	7.03
100,001 to less than 5% of issued shares	48	45,509,850	45.51
5% and above of issued shares	3	42,829,650	42.83
Total	1510	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.	HSBC Nominees (Asing) Sdn Bhd KBL Euro PB For Halley SICAV - Hasley Asian Prosperity	3,268,200	3.27
5.	Hachiuma Steamship Co. Ltd	3,000,000	3.00
6.	Nippon Yusen Kabushiki Kaisha	3,000,000	3.00
7.	Yusen Logistics (Singapore) Pte 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 Co. Ltd	3,000,000	3.00
11.	Yusen Logistics (Singapore) Pte Ltd	2,759,941	2.76
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	2,000,000	2.00
16.	Real Fortune Portfolio Sdn Bhd	1,830,438	1.83
17.	Hachiuma Steamship Co. Ltd	1,379,971	1.38
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 (NGH0241C)	730,000	0.73
20	Gan Tee Kian	705,100	0.71
21	RHB Capital Nominees (Tempatan) Sdn Bhd Lau Peng Kee @ Low Peng Pooi	684,000	0.68
22	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Yoong Nyock (8039533)	681,200	0.68
23	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Yoong Nyock (CEB)	666,100	0.67
24	Teo Tin Lun	456,800	0.46
25	Christopher Ng Huar Tag	410,000	0.41

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JULY 2014

LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of shares	%
26	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For TNTT Realty sdn Bhd	392,700	0.39
27	Yeo Khee Huat	378,000	0.38
28	Federlite Holdings Sdn Bhd	353,100	0.35
29	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Renitrans Sdn Bhd	335,900	0.34
30	Chong Yee Vui	285,000	0.28
	Total	**84,916,900**	**84.92**

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 Interest	%	Indirect Interest	%
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	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 share in the Company are as follows:

	Name of Shareholders	Direct Interest	%	Indirect Interest	%
1	Lee Check Poh	-	-	9,830,438[3]	9.83
2	Lim Jew Kiat	60,000	0.06	-	-
3	Tan Kim Yong	30,000	0.03	-	-
4	Kwong Hoi Meng	11,000	0.01	-	-
5	Raymond Cha Kar Siang	11,000	0.01	-	-
6	Raippan s/o Yagappan @ Raiappan Peter	11,000	0.01	-	-
7	Lee Wan Kai	10,000	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 % 31.12.2012	% 31.3.2014	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 and logistics services
4.	Trans-Asia Shipping Pte Ltd	Singapore	100.00	100.00	Customs broking, handling agency and freight forwarding services
5.	Maya Kekal Sdn Bhd	Malaysia	100.00	100.00	Trading
6.	Precious Fortunes Sdn Bhd	Malaysia	100.00	100.00	Inactive
7.	TASCO Express Sdn Bhd	Malaysia	100.00	100.00	Dormant
8.	Omega Saujana Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services
9.	Piala Kristal (M) Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services

ASSOCIATED COMPANY

		Country	Group Effective Interest % 31.12.2012	% 31.3.2014	Principal Activities
1.	Agate Electro Supplies Sdn Bhd	Malaysia	50.00	50.00	Warehouse rental

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth 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, 10 September 2014 at 3.00 p.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial period ended 31 March 2014 and the Reports of Directors and Auditors thereon.

2. To approve the payment of a single-tier final dividend of 5.0 sen in respect of the financial period ended 31 March 2014. **Ordinary Resolution 1**

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

   3.1 Mr. Lee Check Poh **Ordinary Resolution 2**
   3.2 Mr. Kwong Hoi Meng **Ordinary Resolution 3**

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

   4.1 Mr. Lee Wan Kai **Ordinary Resolution 4**
   4.2 Mr. Yasushi Ooka **Ordinary Resolution 5**
   4.3 Mr. Masaki Ogane **Ordinary Resolution 6**

5. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:- **Ordinary Resolution 7**

   "THAT Mr. Raippan s/o Yagappan @ Raiappan Peter retiring in accordance with Section 129 of the Companies Act, 1965 be and is hereby appointed a director of the Company to hold office until the next Annual General Meeting."

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

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

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

   "THAT pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Company and its subsidiaries be and are hereby authorised to enter into and give effect to the Recurrent Transactions with the Related Party as detailed in Section 2.3.2 of the Circular to Shareholders dated 19 August 2014 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

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

(c) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature."

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

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

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

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a single-tier final dividend of 5.0 sen in respect of the financial period ended 31 March 2014, if approved by the shareholders, will be paid on 9 October 2014 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 26 September 2014.

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 26 September 2014 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: 19 August 2014

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 3 September 2014 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. Where a Member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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 9
   Proposed Renewal of Shareholders' Mandate for Recurrent Transactions

   The Ordinary Resolution 9 proposed under item 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Transactions pursuant to Paragraph 10.09 of the Listing Requirements. Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions is set out in Section 2.3.2 of the Circular to Shareholders dated 19 August 2014, which is despatched together with the Company's Annual Report 2014.

   Ordinary Resolution 10
   Authority to Issue Shares

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

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

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

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

Proxy Form

TASCO Berhad
(Company No. 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-Ninth 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, 10 September 2014 at 3.00 p.m. and at any adjournment thereof.

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

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

Dated:

Number of shares held	

____

Signature/Common Seal of Shareholder(s)

Notes:-

1. Only depositors whose names appear in the Record of Depositors as at 3 September 2014 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. Where a Member of the Company is an authorised nominee as defined under the Central Depositors Act, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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

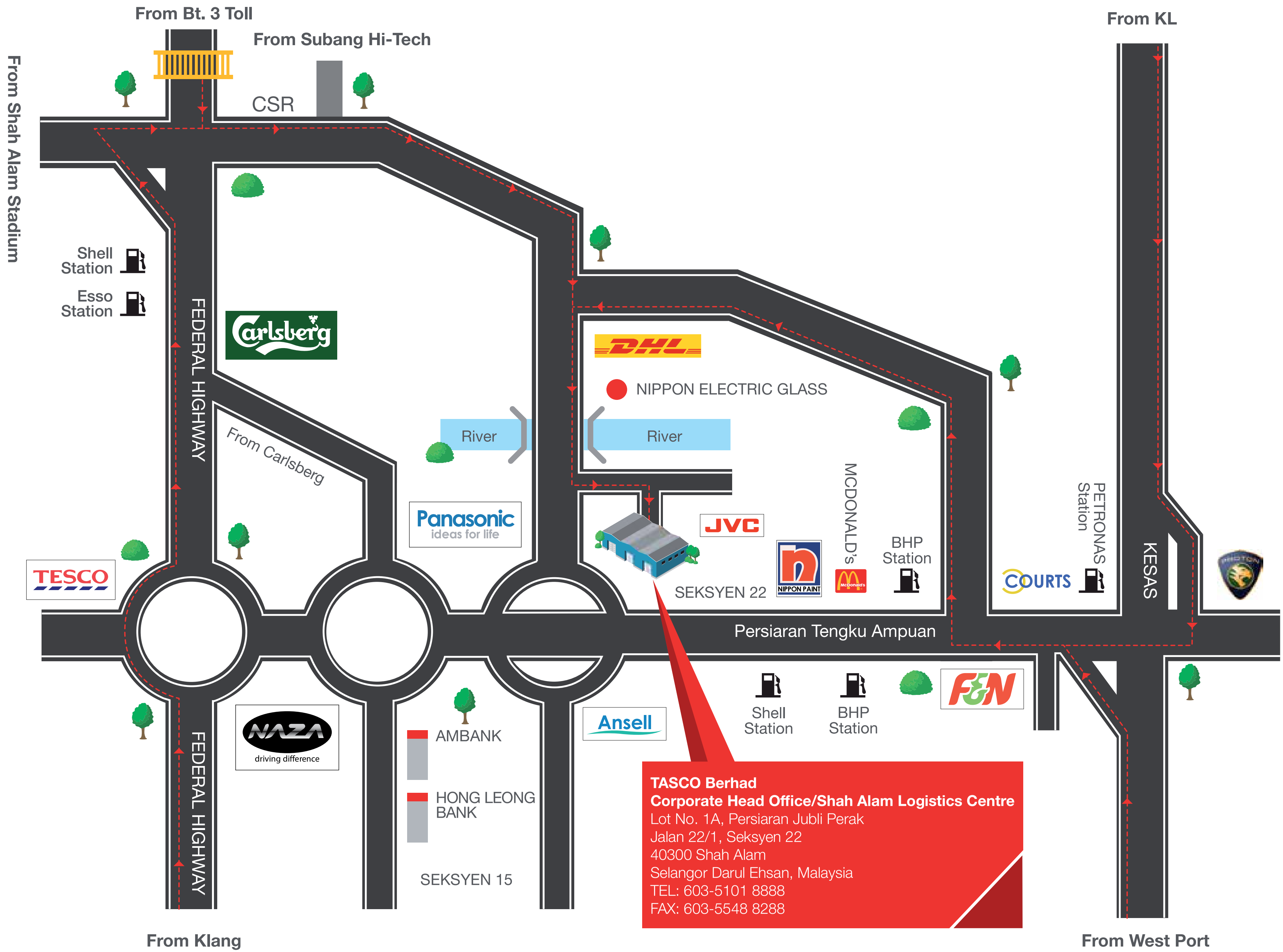
Then fold here

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.

First fold here


From Bt. 3 Toll
From Subang Hi-Tech
From KL
From Shah Alam Stadium
CSR
Shell Station
Esso Station
FEDERAL HIGHWAY
Carlsberg
From Carlsberg
River
River
DHL
NIPPON ELECTRIC GLASS
Panasonic ideas for life
JVC
NIPPON PAINT
MCDONALD's
BHP Station
PETRONAS Station
COURTS
KESAS
SEKSYEN 22
Persiaran Tengku Ampuan
TESCO
NAZA driving difference
AMBANK
HONG LEONG BANK
SEKSYEN 15
Ansell
Shell Station
BHP Station
F&N
FEDERAL HIGHWAY
TASCO Berhad
Corporate Head Office/Shah Alam Logistics Centre
Lot No. 1A, Persiaran Jubli Perak
Jalan 22/1, Seksyen 22
40300 Shah Alam
Selangor Darul Ehsan, Malaysia
TEL: 603-5101 8888
FAX: 603-5548 8288
From Klang
From West Port

TASCO Berhad
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