

MOVING FORWARD

ANNUAL REPORT 2016

TASCO

NYK GROUP COMPANY
TASCO BERHAD (20218-T)



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Cautionary Statement With Regard To Forward - Looking Statements

Certain of the statements made in the Annual Report are forward-looking statements, which involve certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place 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 AND 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".

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 In-plant Services



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 22 logistics centres and 1,500 employees in Malaysia. It is also affiliated with more than 400 locations in 40 countries and 55,000 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****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 and Nagoya Stock Exchange;
- NYK has 55,000 employees in 40 countries; and
- NYK's major businesses consist of global logistics based on international marine transportation business, cruises, terminal and harbour 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 locations and 20,000 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

LOGISTICS CENTRES

PENINSULAR MALAYSIA

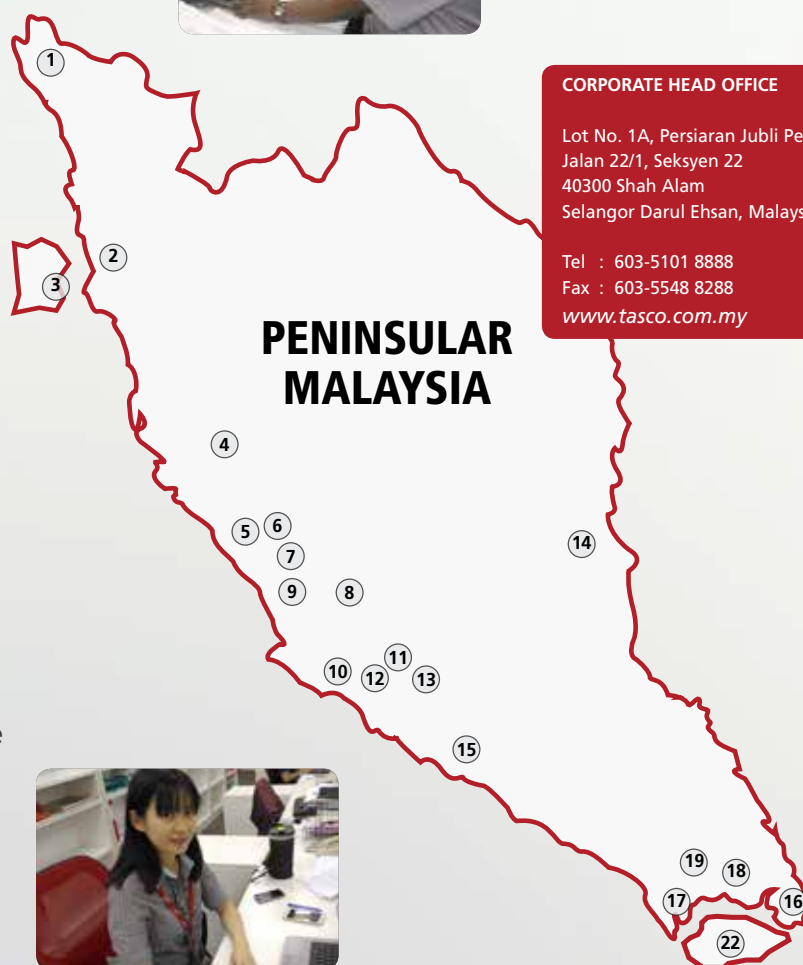
Northern Region

- 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 Container Depot
- 08. Shah Alam Logistics Centre
- 09. North Port Logistics Centre
- 10. Bangi Container Depot
- 11. Bangi Logistics Centre II
- 12. Bangi Logistics Centre III
- 13. KLIA Air Freight Logistics Centre
- 14. Kuantan Port Logistics Centre
- 15. Melaka Logistics Centre



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

Southern Region

- 16. Pasir Gudang Logistics Centre
- 17. Tanjung Pelepas Logistics Centre
- 18. Johor Bahru Causeway Office
- 19. Senai Seelong Logistics Centre



EAST MALAYSIA

- 20. Kota Kinabalu Logistics Centre
- 21. Kuching Air Freight Logistics Centre



SINGAPORE

- 22. Singapore Truck Freight Logistics Centre

“22 Logistics Centres & 1,500 Employees in Malaysia”

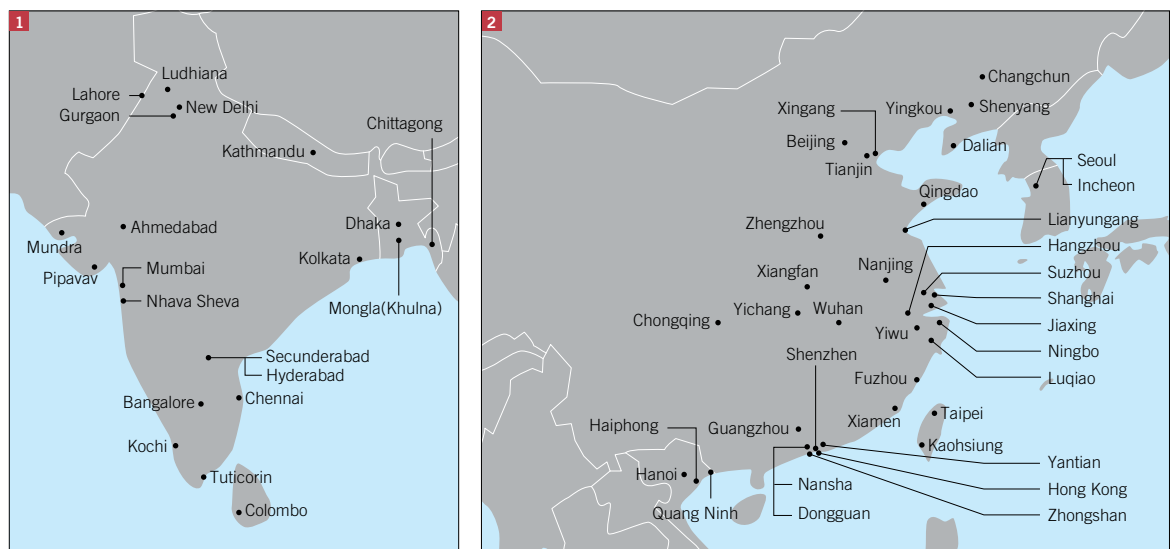


A GROWING PRESENCE OF NYK ACROSS THE WORLD

The NYK Group — Operating Worldwide



• Main NYK Group Office



A GROWING PRESENCE OF NYK ACROSS THE WORLD



**“More than 400
Locations & 55,000
Employees in 40
Countries”**

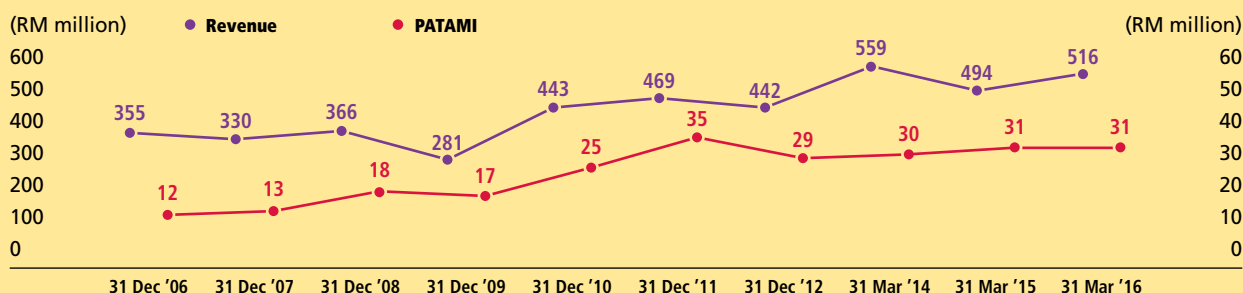
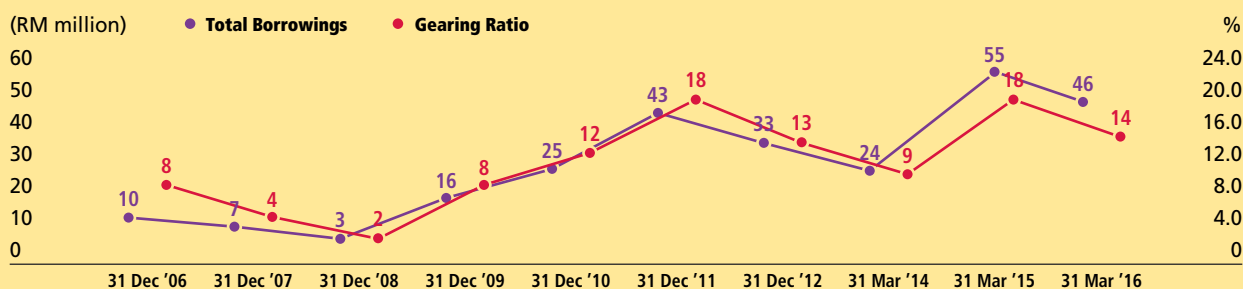


CONSOLIDATED FINANCIAL HIGHLIGHTS

Year/Period Ended	31 Dec '06	31 Dec '07	31 Dec '08	31 Dec '09
Results of operation (RM'000)				
Revenue	354,855	329,844	366,456	280,630
PBTAMI ¹	16,953	18,312	22,548	14,160
PATAMI ²	12,381	13,157	18,358	16,560
Capital expenditures	12,157	14,663	84,323	53,579
Financial position at year/period end (RM'000)				
Share capital (ordinary shares of RM1.00 each) ³	45,000	100,000	100,000	100,000
Total assets	170,207	208,476	246,209	263,371
Cash and bank balances	36,812	62,187	46,434	35,041
Total liabilities	50,161	49,251	65,841	70,724
Total borrowings	9,699	6,951	2,728	16,056
Shareholder equity	119,825	158,982	180,097	192,323
Amount per share (sen)				
Earnings per share	12.38	13.16	18.36	16.56
Earnings per share ⁴	6.19	6.58	9.18	8.28
Dividend per share (Annual)				7.00
Dividend per share (Annual) ⁵	-	-	-	3.50
Ratios (%)				
Shareholder equity ratio	70.4	76.3	73.1	73.0
Return on equity	10.3	8.3	10.2	8.6
Return on assets	7.3	6.3	7.5	6.3
Current ratio	229.5	291.8	187.0	208.4
Gearing ratio	8.1	4.4	1.5	8.3
Dividend payout ratio ⁶	-	-	-	42.3

Notes :

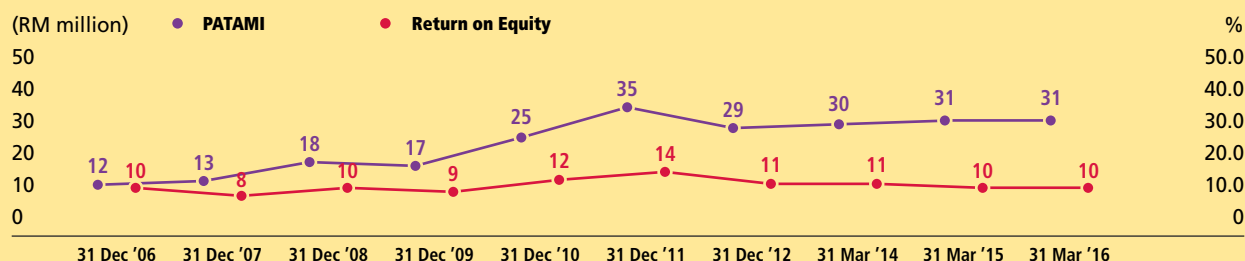
- 1 Profit before taxation after minority interest.
- 2 Profit after taxation after minority interest.
- 3 Ordinary shares of RM1.00 each before 13.10.2015. Thereafter shares are subdivided and became Ordinary shares of RM0.50 each.
- 4 Calculated based on the total issued and fully paid up capital of 200,000,000 shares
- 5 Inclusive of final dividend subject to shareholders' approval. Calculated based on 200,000,000 shares
6. Calculated based on gross dividend divided PATAMI.

REVENUE AND PATAMI**TOTAL BORROWINGS AND GEARING RATIO**

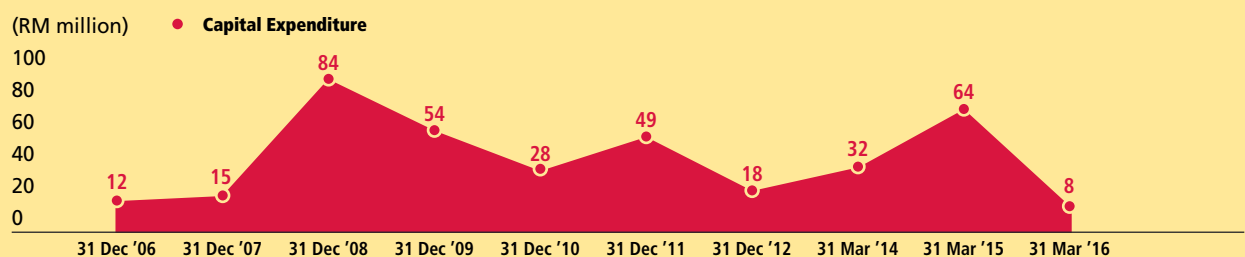
CONSOLIDATED FINANCIAL HIGHLIGHTS

	31 Dec '10	31 Dec '11	31 Dec '12	31 Mar '14	31 Mar '15	31 Mar '16
	443,362	469,211	442,448	559,613	494,305	515,666
	32,724	37,278	35,228	41,958	41,336	43,979
	24,776	34,590	28,889	30,409	30,681	30,606
	27,834	49,399	18,056	31,801	64,205	8,393
	100,000	100,000	100,000	100,000	100,000	100,000
	295,897	347,262	344,402	375,847	431,700	450,435
	46,927	49,280	52,699	52,461	57,081	92,586
	81,757	106,085	88,368	98,062	131,834	129,679
	25,133	42,923	32,853	24,179	54,795	46,027
	213,763	240,714	255,485	277,133	299,097	319,884
	24.78	34.59	28.89	30.41	30.68	15.30
	12.39	17.30	14.44	15.21	15.34	15.30
	9.13	12.90	12.01	10.34	9.00	4.50
	4.57	6.45	6.00	5.17	4.50	4.50
	72.2	69.3	74.2	73.7	69.3	71.0
	11.6	14.4	11.3	11.0	10.3	9.6
	8.4	10.0	8.4	8.1	7.1	6.8
	231.6	233.0	237.6	212.9	200.4	227.0
	11.8	17.8	12.9	8.7	18.3	14.4
	36.9	37.3	41.6	34.0	29.3	29.4

PATAMI AND RETURN ON EQUITY



CAPITAL EXPENDITURES



CHAIRMAN'S STATEMENT

"Despite a challenging year with many highs and lows, TASCO turned in a resilient performance. The Group's financial position continues to be secure given our strong balance sheet and we are looking to make strategic investments that will take our performance up to the next level as well as strengthen our current position as one of the leading logistics companies in Malaysia."



CHAIRMAN'S STATEMENT

Dear Valued Stakeholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Audited Financial Statements of TASCO Berhad ("TASCO" or "the Group") for the financial year ended 31 March 2016.

A MIXED OPERATING ENVIRONMENT

For the year 2015, the global economy grew by just 3.1%, its weakest pace since the 2009 recession. Global economic growth remained subdued even as growth in emerging market and developing economies slowed for the fifth year running, while the advanced economies registered a modest recovery.

Malaysia's real gross domestic product ("GDP") moderated to 5.0% in 2015 from 6.0% in 2014. Being a major producer and exporter of hydrocarbons and other commodities, the domestic economy was battered by plunging demand and prices on these fronts. The slower GDP growth was further compounded by the economic slowdown in China, Malaysia's leading trade partner.

This challenging economic climate and fluctuating demand affected the Group's performance resulting in a drop in revenue and profit over the first half of the financial year. However, things picked up in the second half of the financial year and by the end of the financial year, the Group managed to put up a credible performance to register revenue and profits comparable to the preceding financial year.

RESILIENT FINANCIAL PERFORMANCE

Despite a challenging year with many highs and lows, I am pleased to announce that the Group turned in a resilient performance.

Moderate Revenue Growth

The Group registered revenue of RM515.7 million for the financial year ended ("FYE") 31 March 2016, marking a RM21.4 million or 4.3 per cent year-on-year ("y-o-y") increase in comparison to the RM494.3 million recorded in the preceding financial year. The increase in revenue can be attributed to our International Business Solutions ("IBS") segment which generated an increase of RM34.5 million (19.7 per cent) from RM175.1 million to RM209.6 million.

The main contributors to the IBS segment's good performance were our Air Freight Forwarding ("AFF") division and our Ocean Freight Forwarding ("OFF") division. Significant increases in export shipments for key industries and air freight deliveries led to the AFF division posting a y-o-y revenue increase of RM14.8 million (11.3 per cent), from RM130.9 million to RM145.7 million. Meanwhile, the re-securing of lost customer accounts and an increase in the demand of lifting volume from a solar panel customer propelled our OFF division to register solid revenue growth in FYE 31 March 2016. The increase marked a notable hike of RM19.7 million (44.5 per cent) which saw revenue rising from RM44.1 million to RM63.8 million.

In contrast, our Domestic Business Solutions ("DBS") segment recorded a RM13.1 million (4.1 per cent) reduction in revenue over the same period, with returns dropping from RM319.2 million to RM306.1 million y-o-y. The downturn can be attributed to the lack of domestic catalysts coupled with a reduction in export shipments within our Contract Logistics ("CL") business. A drop in warehouse handling volume and customer cost reduction impacted the division's Warehouse and In-Plant businesses, resulting in a decrease in revenue of RM10.7 million (10.3 per cent) and RM1.0 million (5.2 per cent) respectively. A decrease in the demand of export containers caused the Haulage business to record a revenue drop of RM7.1 million (17.0 per cent). Likewise, the discontinuation of a business contract led to a RM2.8 million (49.6 per cent) decrease in revenue for the division's Auto Logistics business.

However, the segment's Trucking division performed well, with the business reporting a revenue increase of RM2.4 million (3.0 per cent). The growth can be attributed to the rise of in-bound cross-border business volume from Thailand, plus newly secured accounts for local distribution in both East and Peninsular Malaysia.

CHAIRMAN'S STATEMENT

Steadfast Profitability

Profit before taxation ("PBT") for FYE 31 March 2016 rose from RM41.4 to RM44.1 million marking an increase of RM2.6 million (6.3 per cent); while net profit for the year dropped slightly to RM30.7 million from RM30.8 million (0.3 per cent). The sale of landed property in Mukim Damansara for a one-off gain from disposal of RM4.9 million contributed to the year's PBT. The Group's IBS segment registered strong PBT performance on the back of a hike of RM9.9 million (263.1 per cent) from RM3.7 million to RM13.6 million. Within the IBS business, the AFF division posted a PBT of RM8.5 million, recording an increase of RM6.4 million (291.2 per cent) from RM2.2 million y-o-y. The OFF business also posted higher PBT of RM3.5 million (223.6 per cent) from RM1.5 million to RM5.0 million.

Our DBS segment registered a decrease of PBT of RM19.1 million (47.2 per cent) from RM40.4 million to RM21.3 million. Within the DBS business, the reduction of cargo volume of major customers coupled with high fixed operating costs, especially on the warehouse business front, caused the PBT of the CL business to drop significantly by RM17.6 million (44.0 per cent). Despite increased revenue from the segment's Trucking business, increasing fleet maintenance costs as well as a weaker Ringgit resulted in higher operating costs for the local and cross-border trucking business, causing the business's PBT to drop by RM1.5 million (367.4 per cent).

Stronger Balance Sheet

Going forward, TASCO's financial position continues to be secure given our strong balance sheet. As at 31 March 2016, we had in hand cash and cash equivalents amounting to some RM93.0 million as compared to RM57.0 million in the previous financial period. We are currently looking to increase our gearing by making strategic investments that will take our performance up to the next level.

SHAREHOLDER VALUE CREATION

In respect of FYE 31 March 2015, we paid out a final single tier dividend of 5.00 sen per ordinary share of RM1.00 each amounting to RM5.0 million on 14 October 2015. On 23 March 2016, we paid out an interim single tier dividend of 2.00 sen per ordinary share of RM0.50 each in respect of FYE 31 March 2016 amounting to RM4.0 million.

In line with our policy of delivering sustainable returns to shareholders, the Board of Directors of TASCO is proposing a final single tier dividend of 2.50 sen per ordinary share of RM0.50 each, amounting to RM5.0 million in respect of FYE 31 March 2016. This dividend is subject to approval by shareholders at the forthcoming Annual General Meeting. Inclusive of the proposed dividend, the total single tier dividend declared for FYE 31 March 2016 will be 4.50 sen per ordinary share of RM0.50 each.

RECOGNISED FOR OUR EFFORTS

Our efforts continue to earn us recognition in several areas. I am pleased to report that TASCO was hailed the 2015 Frost & Sullivan Warehouse Management Company of the Year in recognition of the Company's outstanding performance for 2014. The award highlights the Group's commitment to developing the best logistics warehouse spaces for our customers while maintaining our position as an industry leader.

TASCO will endeavour to be an exemplary leader in our industry even as the warehouse sector begins to gain more traction in Malaysia. Our current expansion plans will enable us to gain more market share in Malaysia as we have the network, expertise and experience to manage a large portfolio.

CHAIRMAN'S STATEMENT

RESPONSIBLE CORPORATE PRACTICES

TASCO's Board of Directors remains committed to upholding and implementing strong standards of corporate governance as well as robust risk management and internal control measures throughout our organisation. As fundamental components of our business, these elements are helping to ensure the sustainable, long-term growth of our business. Moreover, they are improving investor confidence, preserving our corporate reputation and ensuring continued shareholder value creation.

As a conscientious industry leader, TASCO is committed to operating a profitable and sustainable business that not only increases shareholder value, but benefits the community and environment around us as well. To this end, the year in review saw us continuing to roll out several effective Corporate Social Responsibility ("CSR") initiatives.

On the community enrichment front, the Group continues to give back to the community, particularly during the month of Ramadhan. During the fasting month, we held a donation drive for two orphanages where our staff and management visited these orphanages to distribute goodie bags and donations that brought cheers to the less fortunate in society. Even as TASCO expands its influence as a leader in the communities in which we operate, our commitment to our stakeholders will only continue to grow.

The Group continues to prioritise the safety and health of our employees. To ensure the Group's stringent safety and health guidelines are complied with, the Group's Safety Committee continues to conduct audits and safety checks to ensure that all our operating environments are secure for our employees.

As part of our effort to develop an efficient and capable workforce, our Human Resource Department continues to ensure that employees' career paths are strengthened through staff exchanges within the Group under our Regional HR Programme. Furthermore, we have entered into a memorandum of understanding with Tunku Abdul Rahman University College as well as collaboration with other institutes of higher learning to absorb and train interns from logistics and other fields of study.

In line with our commitment to reducing our carbon footprint, we are constantly seeking ways to operate in a more sustainable and green manner. Our efforts to date include using battery operated handling equipment and low-smoke emission fleets. Additionally, the design of our new warehouses seeks to optimise the harnessing of natural light while the use of LED lightings is helping to reduce heat and energy consumption.

OUTLOOK AND PROSPECTS

According to the World Bank's *Global Economic Prospects* (June 2016) report, global growth for 2016 is estimated at 2.4%, approximately 0.5 percentage points below its January 2016 forecast. Emerging market and developing economies are facing stronger headwinds, including weaker growth among advanced economies and low commodity prices. Amidst this fragile global economic backdrop, Bank Negara Malaysia projects that the Malaysian economy will grow at a more moderate pace of between 4.0% and 4.5% in 2016.

TASCO's prospects are closely linked to the performance of the Malaysian and world economies, both of which directly affect the health of the manufacturing sector and international trade. The Group's business model is especially sensitive to the factors that affect the movement of cargo, both from an export and import perspective, as well in relation to domestic cargo movements.

Nevertheless, moving forward, we are determined to strengthen our current position as one of the leading logistics companies in Malaysia. We will do this through ensuring the delivery of a high level of customer service and the provision of innovative logistic solutions. We will also leverage on the expertise found within the Group's companies to explore new areas of opportunity.

One such venture will be our move into cold chain logistics which will further strengthen our already strong logistics base. As part of our efforts to expand our capabilities in the specialised transportation and aerospace industries, we will work on upgrading our current resources in these areas. Our priority will be to strengthen the current core businesses of the Group and we will also take the necessary steps to build a stronger brand.

CHAIRMAN'S STATEMENT

ACKNOWLEDGMENTS

As TASCO prepares to embark on the next stage of our journey to success, we want to acknowledge the many parties who have supported us along the way and have been instrumental to our success.

On behalf of the Board, I would like to convey my heartfelt gratitude towards the management and staff of TASCO Berhad for their hard work and commitment to excellence. My sincere thanks also to my colleagues on the Board for their astute insights and counsel, which certainly helped guide us through last year's opportunities and challenges.

Last but not least, my deep appreciation to our valued shareholders, business partners and stakeholders for their unwavering trust and confidence in TASCO Berhad. We could not have achieved our success thus far without all of you.

As we venture forth into a new financial year, I call upon all stakeholders to give TASCO their unwavering support.

Thank You.



Lee Check Poh
Executive Chairman



INTERVIEW WITH THE MANAGING DIRECTOR

“For the year in review, TASCO continued to reinforce its position as one of the nation’s leading logistics companies via a high level of customer service and the provision of innovative logistic solutions. As we move forward to gain new ground, we continue to think out-of-the-box and tap the expertise within the Group.”



INTERVIEW WITH THE MANAGING DIRECTOR

Please comment on TASCO's overall performance for the financial year ended 31 March 2016.

While the financial year in review proved to be a rather challenging one for TASCO, we successfully weathered the storm to turn in a steadfast performance. In the first quarter of the financial period, the harsh economic climate and fluctuating demand affected the Group's performance resulting in a 25 per cent drop in sales and a 40 per cent drop in profit. This performance reflects the trying times that our customers underwent, especially those in the export-oriented E&E industry. Additionally, low profit margins and a highly competitive environment contributed to our DBS's poor comparatively performance. The imposition of the new Good and Services Tax ("GST") and the declining value of the Ringgit intensified these challenges and prolonged the situation well into the second quarter. However, the latter half of the year proved to be more fruitful and we eventually turned in a performance comparable to the preceding year's performance. This performance came on the back of continued expansion and diversification of our customer base and industry focus, as well as by leveraging on financial prudence and cost discipline efforts.

What strategies will TASCO leverage on reinforce its position as a key logistics player in the region?

We continue to reinforce our position as one of the leading logistics companies in Malaysia through a high level of customer service and the provision of innovative logistic solutions. The strengthening of our core businesses remains a priority for the Group and we will undertake the necessary steps needed to build a stronger brand.

However, given that ours is a competitive industry, we must really think out-of-the-box if we are to move forward to gain new ground. In line with this, we are tapping the expertise within the Group to venture into new areas of opportunity. One such venture is into the niche area of cold chain logistics which will enhance our already strong logistics base. This is a natural step for us given our involvement in traditional ambient warehousing, as well as vast experience in the FMCG and retail industries. Given the encouraging demand from existing as well as prospective customers, our venture into this promising new market bodes well for the Group.

To expand our footprint, particularly in East Malaysia, we will strengthen our existing partnerships with our East Malaysian partners and work to grow the business together with them. We already have the good support of our FMCG customers and the growing interest for both ambient and cold chain facilities augurs well for us.

What will your focus for FYE 31 March 2017 be, given the continuing economic challenges?

Our focus this year will be to grow our revenue on the international front, without neglecting the domestic businesses. Traditionally, revenue contributions from both the international and domestic businesses are approximately equal, but for the new financial year, it looks like our international business will continue to grow at a faster pace, in line with the trend of the last financial year. Our focus going forward will be to expand our current clientele base for both our OFF and AFF businesses. With enquiries already coming in from investors in China and Europe (from large to medium sized companies), we are optimistic about this area of opportunity. Today, TASCO remains one of the strongest logistics players around in terms of contract logistics and our customers can readily tap the expertise of any of our network personnel anywhere in the world for advice.

To ensure we grow in a steadfast and focused manner, we will continue to optimise our operational efficiencies in the areas of service quality by leveraging on the Control Tower Function or CTF. The CTF acts as a one-window platform for all our services. It enables us to relay information on performance levels and key performance indicators to our customers via mobile or desktop platforms and ensures we make strong advances by way of quality services. We have been running CTF trials involving selected customers and have garnered excellent feedback. The CTF is currently being enhanced and will be made available to all major customers so they can make the most of its functionality to the fullest.

To strengthen our effectiveness on the management front within our Yusen Logistics ("YL") Group, we are organising quarterly meetings with all YL Group Managing Directors ("MDs") throughout the South Asia Oceanic Region ("SAOR"). Chaired by the SAOR Chief Regional Officer who shares his key experience and insights, these meetings are also a platform for our YL Group MDs to share relevant information and best practices with other SAOR countries. Also, each month we hold a teleconference with all SAOR sales personnel and their MDs in order to share marketing information on existing and prospective global accounts. This close inter-networking within the YL Group has borne fruit in the form of successful tender exercises and securing of new global accounts.

As a Group, we have been in the market for over 40 years and have gone through the ups and downs of the economic cycle. I am quietly confident that we can overcome the current economic challenges given our good record of accomplishment and financial strength.

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
FYE 31.03.2016**

**REVENUE
FYE 31.03.2016**

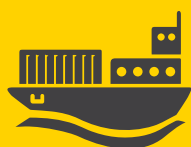


AIR FREIGHT FORWARDING DIVISION

- ✓ Air Freight Services



**RM145.7
million**



OCEAN FREIGHT FORWARDING DIVISION

- ✓ Sea Freight Services

**ORIGIN CARGO ORDER & VENDOR
MANAGEMENT DIVISION**

- ✓ Buyer Consolidation Services

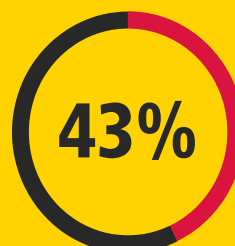


**RM63.8
million**



CONTRACT LOGISTICS DIVISION

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



**RM223.7
million**



TRUCKING DIVISION

- ✓ Domestic Trucking
- ✓ International Trucking



**RM82.5
million**

Notes:

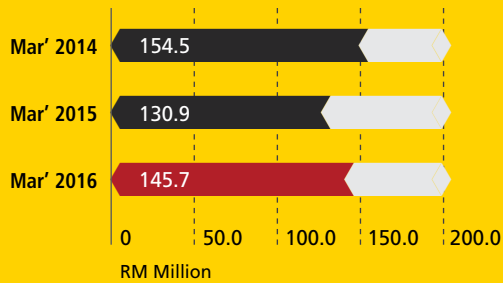
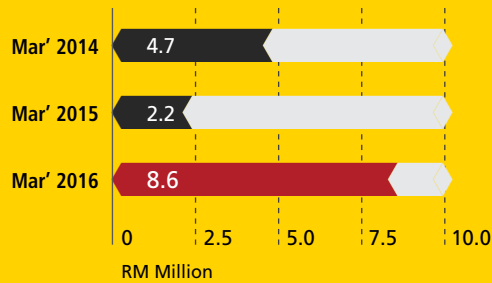
1. Characteristics of International Business Solutions:

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
(MILLION RM)****PROFITS FROM OPERATIONS
(MILLION RM)****RESOURCE
FACILITIES**

>250 Units
Prime Movers & Trucks



>200,000m²
Warehouse Space



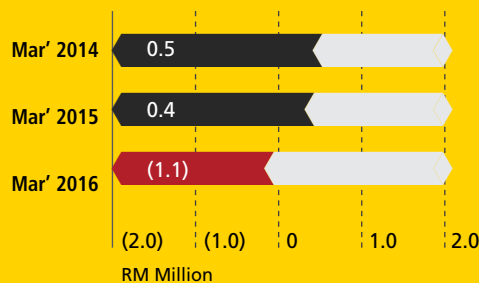
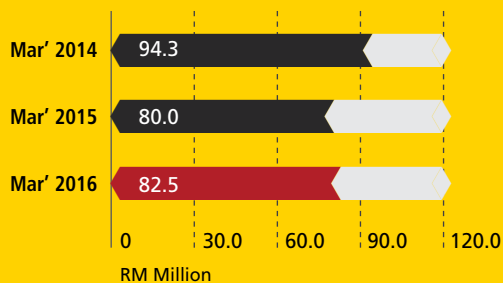
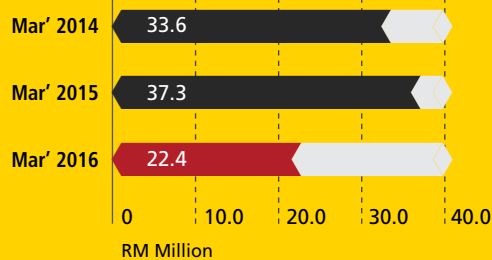
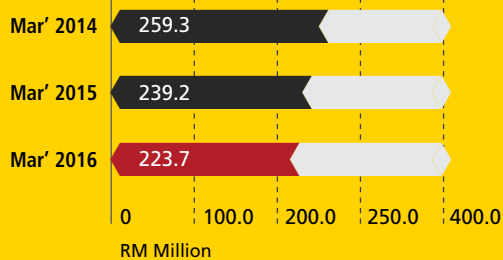
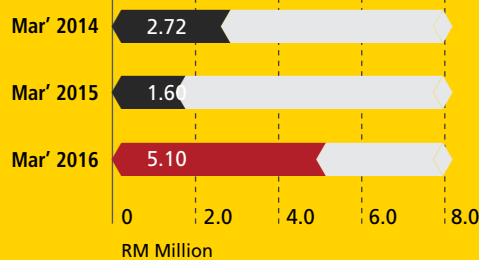
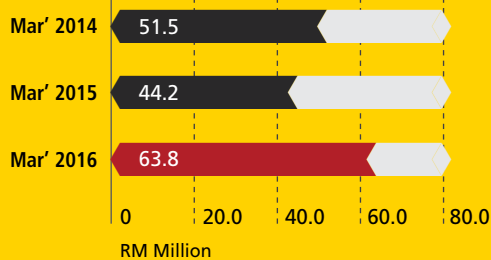
Domestic: >1,500
Worldwide: >55,000*
Employees



22 Logistics Centres
Domestic Networks



**>400 Locations in
40 Countries**
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
Non-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

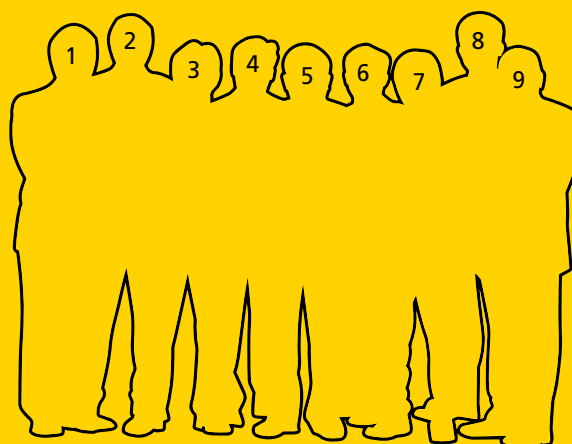
LEE CHECK POH
Executive Chairman
Member

BOARD OF DIRECTORS



(FROM LEFT TO RIGHT)

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



Note:

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

Non-Independent Executive Chairman



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
- » Was appointed as an Executive Director and later as the Managing Director of Sony Logistics (M) Sdn Bhd between 1989 and 2004
- » Appointed as the Chairman and Chief Regional Officer of Yusen Logistics (Singapore) Pte Ltd in 2015
- » Appointed as the Executive Officer of Yusen Logistics Co. Ltd in 2015

Training

Impact Of Share Buy Back

Name	LEE CHECK POH
Age	67
Nationality	Malaysian
Date of Appointment	24 April 1989

PROFILE OF BOARD OF DIRECTORS

Non-Independent Managing Director

Name	LIM JEW KIAT
Age	55
Nationality	Malaysian
Date of Appointment	17 February 2011

Qualification

Malaysia Certificate of Education

Other Directorship in Public Company

None

Experience

- » Currently appointed as the Managing Director
- » Joined the Group in 1991 and appointed as the Managing Director in 2013
- » During his employment in the Company he was assigned to various business divisions of the Group
- » Prior to his joining the Group, he was involved in sales, dealing in courier services, chemicals and computers

Training

GDS To-Be Process Training

Non-Independent Deputy Managing Director

Name	TAN KIM YONG
Age	54
Nationality	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 Development Function 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

Microsoft Power Point (Basic/Intermediate)

PROFILE OF BOARD OF DIRECTORS

Non-Independent Executive Director



Name	MASAKI OGANE
Age	47
Nationality	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 Business Development Function (Japanese Group), Supply Chain Solutions Function (International Freight Forwarding) and a representative of YLK
- » Joined Yusen Air & Sea Service Co. Ltd, in Central Tokyo in 1991 as Sales staff until 1994, 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

Proposed Companies Act 1965: Changes and its Impact on you

Non-Independent Non-Executive Director



Name	YASUSHI OOKA
Age	54
Nationality	Japanese
Date of Appointment	4 April 2014

Qualification

Bachelor of Laws (Kobe University, Japan)

Other Directorship in Public Company

None

Experience

- » Currently appointed as a Non-Executive Director (re-designated on 1 April 2015) 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 of the Company

Training

Proposed Companies Act 1965: Changes and its Impact on you

PROFILE OF BOARD OF DIRECTORS

Non-Independent Executive Director

Name	LEE WAN KAI
Age	40
Nationality	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 Supply Chain Solutions Function
- » 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

SMI Asia™ Kaizen Continuous Process Improvement

Independent Non-Executive Director

Name	KWONG HOI MENG
Age	49
Nationality	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

- » Budget Seminar 2016
- » Updates of the 2014 & 2015 IFRS - Compliant MFRSs - Preparing MFRS - Compliant Financial Statements in 2014, 2015 and thereafter
- » Proposed Companies Act 1965: Changes and its Impact on you

PROFILE OF BOARD OF DIRECTORS

Independent Non-Executive Director



Name	RAYMOND CHA KAR SIANG
Age	45
Nationality	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. He is 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

Improving Board Risk Oversight Effectiveness

Independent Non-Executive Director



Name	RAIPPAN S/O YAGAPPAN @ RAIAPPAN PETER
Age	72
Nationality	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. He is 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

- » An Integrated Assurance on Risk Management and Internal Control - Is our Line of Defence Adequate And Effective?
- » Impact Of Share Buy back

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

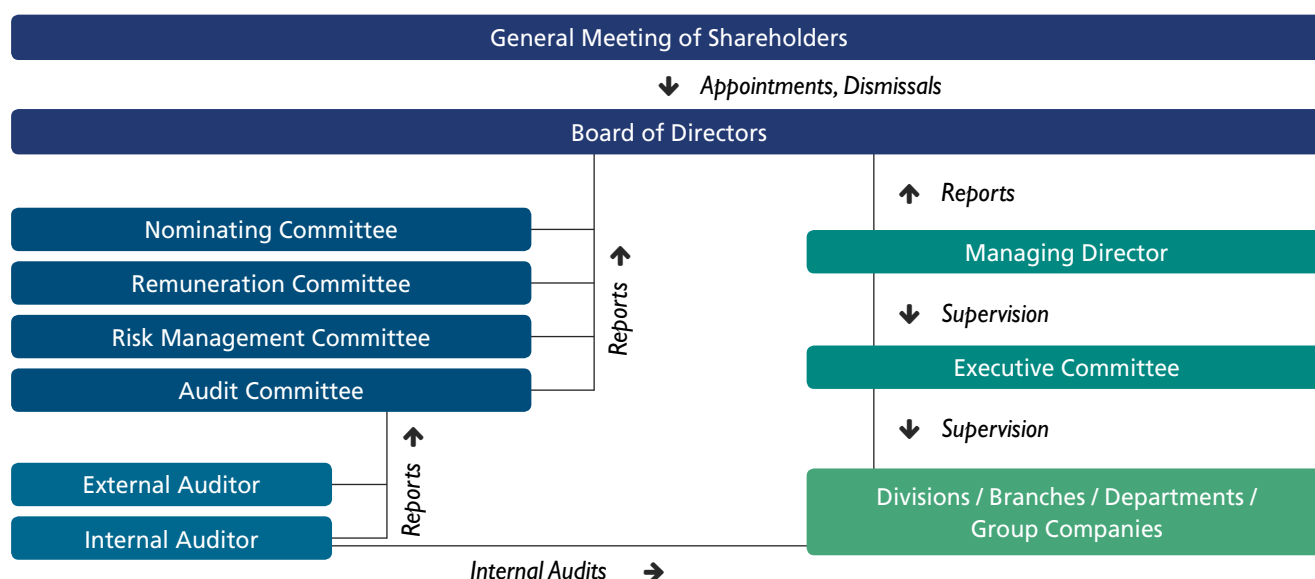
As at 30 June 2016, the Board comprises 9 members, including 3 Independent Non-Executive directors. The Board had also established the following Board Committees to assist the Board in carrying out its fiduciary duties:

- (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 15 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

1. Board of Directors**1.1 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.

1.2 Composition of the Board

The Board comprises the following members and the details of attendance of each member at the Board meetings held during the financial year ended 31 March 2016 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Lee Check Poh (Chairman)	Executive	No	3/4
Lim Jew Kiat (Managing Director)	Executive	No	4/4
Tan Kim Yong (Deputy Managing Director)	Executive	No	3/4
Masaki Ogane	Executive	No	4/4
Yasushi Ooka	Non-Executive	No	4/4
Lee Wan Kai	Executive	No	3/4
Raymond Cha Kar Siang	Non-Executive	Yes	3/4
Kwong Hoi Meng	Non-Executive	Yes	4/4
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	4/4

The Group is headed by 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 the following justifications:

- 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
- 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.

CORPORATE GOVERNANCE STATEMENT

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.

1.3 Board meeting

During the financial year, 4 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 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.

1.4 Qualified Company Secretary

The Board would ensure the Company is supported by a qualified and competent company secretary. The Company Secretary is capable as official liaison party to TASCO to communicate, prepare, and submit statutory returns with the Companies Commission of Malaysia ("CCM") in compliance with the statutory requirements under the Malaysian Companies Act, 1965.

The Company Secretary is also participating in the Company's Board meeting and giving general advice on company secretarial matters. The Company Secretary is also preparing and filing of annual returns of the Company to the Companies Commission of Malaysia.

The appointment and removal of the Company Secretary shall be within the purview of the Board.

CORPORATE GOVERNANCE STATEMENT

1.5 Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to retirement and are entitled for re-election at the first annual general meeting ("AGM") after their appointment. At every subsequent AGM, 1/3 of the existing Directors including the Managing Director, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. An election of Directors shall take place every year. The election of each Director is voted separately.

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors who over the age of 70, may by a resolution of which no shorter notice than that required to be given to the members of the Company of an AGM has been duly given, be appointed or reappointed as a director of the Company to hold office until the conclusion of the next AGM.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next AGM and shall be eligible for re-election.

1.6 Directors' Training

The Board recognizes the needs to attend training to enable them to discharge their duties effectively.

The Board has empowered the Directors of the Company to determine their own trading requirements as they consider necessary or deem fit and expedient 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.

The Board is regularly updated by the Company Secretary on the latest updates and major amendments made to the LR and Companies Act, 1965 and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

2. Board Committees

In discharging its fiduciary duties, the Board has set up various committees.

2.1 Audit Committee

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

The Audit Committee comprises the following members and the details of attendance of each member at the Audit Committee meetings held during the financial year ended 31 March 2016 are as follows:

Name	Status of Directorship	Independent	Meeting Attended
Kwong Hoi Meng (Chairman)	Non-Executive	Yes	4/4
Raymond Cha Kar Siang	Non-Executive	Yes	3/4
Raippan s/o Yagappan @ Raiappan Peter	Non-Executive	Yes	4/4

The terms of reference of the Audit Committee are made available in the Company's website at www.tasco.com.my. The Audit Committee Report are presented on pages 37 to 38 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT

2.2 Nominating Committee

The Nominating Committee was set up on 6 December 2007 and the terms of reference of the Nominating Committee and the nomination and election process of directors are made available for reference in the Company's website www.tasco.com.my.

The Nominating Committee comprises the following members and the details of attendance of each member at the Nominating Committee meetings held during the financial year ended 31 March 2016 are as follows:

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

The Nominating Committee was set up by the Board to ensure that it has an appropriate balance, size and the required mix of skills, experience and core competencies to govern the organization towards achieving its intended goals and objectives. The Nominating Committee shall propose new candidates for the Board and assess Directors on an ongoing basis.

2.2.1 Annual Assessment of Existing Directors

The director who is subject to re-election and/ or re-appointment at next Annual General Meeting shall be assessed by the Nominating Committee before recommendation is made to the Board and shareholders for the re-election and/ or re-appointment. Appropriate assessment and recommendation by the Nominating Committee would be based on the yearly assessment conducted.

The Nominating Committee will review and assess the mix of skills expertise, composition, size and experience of the Board directors. The Nominating Committee will also review and assess the performance of each individual director, the effectiveness of the Board and the Board Committees.

The Nominating Committee had met to review 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.

2.2.2 Assessment on Independence of Directors

In line with the Principle 3 of the Code, the Board, with the assistance of the Nominating Committee, is required to review the independence of the Company's Independent non-Executive Directors on an annual basis. The Board adopts the definition of an 'independent Non-Executive Director' as provided by the LR, and such definition is used as criteria for Directors' independence assessment, which has been carried out at the date of this Statement. The Company does not have any independent Non-Executive Director who has served more than nine (9) years at the date of this Statement.

On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

Any director who considers that he/she has or may have a conflict of interest or a material personal interest or a director or indirect interest or relationship that could reasonably be considered to influence in a material way the Directors' decisions in any matter concerning to the Company is required to immediately disclose to the Board and to abstain from participating in any discussion or voting on the respective matter.

CORPORATE GOVERNANCE STATEMENT

2.2.3 Tenure of Independent Directors

None of the Independent Director has served the Company exceeding a cumulative terms of nine (9) years at the date of the Statement.

At present, the Company does not have a formal policy to limit the tenure of independent directors to nine (9) years. However, the Board is mindful of the recommendations in the Code to ensure effectiveness of independent directors.

2.3 Remuneration Committee

The Remuneration Committee comprises the following members and the details of attendance of each member at the Remuneration Committee meetings held during the financial year ended 31 March 2016 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

The 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 year ended 31 March 2016 by category and in bands of RM50,000 are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
Below RM50,000	-	3
RM250,001 to RM300,000	1	-
RM500,001 to RM550,000	1	-
RM650,001 to RM700,000	1	-
RM750,001 to RM800,000	1	-
RM1,550,001 to RM1,600,000	1	-

CORPORATE GOVERNANCE STATEMENT

The remuneration is further analyzed by fees and salaries and other emoluments:

	Fees RM	Salaries and other emoluments RM	Total RM
Executive Directors	232,389	3,471,291	3,703,680
Non-Executive Directors	96,000	Nil	96,000

3. Accountability and Audit

3.1 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.

3.2 Risk Management Committee

The Board recognizes the importance of a sound system of internal control for the Group including risk assessment and acknowledges its ultimate responsibilities in maintaining the same.

The Company has established a Risk Management Committee which comprises 21 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				
LIKEHOOD	High			
	Medium			
	Low			
		Minor	Moderate	Major
IMPACT				

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

3.3 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.

3.4 Internal Audit Function

The Board acknowledges its responsibility for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

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 RM49,490 of internal audit costs during the financial year ended 31 March 2016.

The Statement of Risk Management and Internal Control set out on page 39 to 40 of this Annual Report provide an overview of the state of internal controls within the Group. Further information on the internal audit function and its activities are set out on page 37 of this Annual Report.

3.5 Relationship with the Auditors

The Board has maintained a professional and transparent relationship with the Group's auditors, both external and internal. The Audit Committee seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors in ensuring compliance with the applicable accounting standards in Malaysia. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

The external auditors would be re-appointed annually subject to annual evaluation by the Audit Committee. As part of the evaluation process, the Audit Committee will obtain feedback from the management team on the quality of the audit service of the external auditors. Audit partner in-charge of a public listed company should be rotated (within the audit firm) every five years to ensure independence of audit.

The Board has evaluated the performance of the auditors based on the relevant criteria and recommended to shareholders to re-appoint them at the forthcoming annual general meeting of the Company.

CORPORATE GOVERNANCE STATEMENT

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect. The Board is also required by the Companies Act 1965 to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A statement by the Board of its responsibilities for preparing the financial statements is set out on page 108 of this Annual Report.

4. Shareholders

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.

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.

CORPORATE GOVERNANCE STATEMENT

5. Gender Diversity Policy

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.

6. 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.

7. 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 year ended 31 March 2016.

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.

The full terms of reference of the Audit Committee can be viewed at the Company's website.

Meetings

The AC met 4 times during the financial year ended 31 March 2016. 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 year 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. Their scope of audit also covers Recurrent Related Party Transactions ("RRPT").

On annual basis, the Group Internal Auditor presented their audit plan to the Committee for review and approval. The audit findings and report are presented to the AC members at all the AC meetings held during the financial year ended 31 March 2016. Their reports cover the status and progress of their assignments, audit recommendations, management's response and the outcome of the procedural review on RRPT. Follow up audit reports were also presented to the AC.

AUDIT COMMITTEE REPORT

Summary Of Activities

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

- a. Reviewed and assessed the adequacy of the scopes and functions of the Internal Audit Plan and Risk Management for the Company and the Group and authorised resources to address risk areas that have been identified.
- b. Reviewed the External Audit Plan for the Company and the Group with the external auditors to ensure the audit scope and activities is adequately covered.
- c. Reviewed quarterly and annual financial reports for the Company and the Group prior to submission to the Board for consideration and approval, focusing particularly on the following:
 - (i) significant and unusual events;
 - (ii) changes in or implementation of major accounting policy; and
 - (iii) compliance with accounting standards and other legal requirements.
- d. Reviewed the related party transactions and ensured that they are not more favourable to the related parties than those generally available to the public and complies with the Bursa Malaysia 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 2015.

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 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 year ended 31 March 2016 are as follows:

No.	Nature of Transactions	Transacting Parties	Interested Related Parties	Aggregate Value (RM'000)
1	Various agency agreements entered into between TASCO and the respective NYK Group's subsidiaries to act as the handling agents in the respective countries and facilitate the operations of each other.	TASCO/NYK Group, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	Sales: 74,744 Purchases: 63,756
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, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	257
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, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	582
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, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	3,534
5	Provision of freight services by NYK Group's subsidiaries to TASCO.	TASCO/NYK Group, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	2,705
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 received	TASCO/NYK Group, NYK, YLK, YLSG and HS	Mr. Masaki Ogane ¹ , Mr. Yasushi Ooka ² and NYK Group ³	300

Notes:

1. Mr. Masaki Ogane was seconded to TASCO from YLK and was appointed as Executive Director on 4 April 2014.
2. Mr. Yasushi Ooka was seconded to TASCO from NYK and was appointed as Executive Director on 4 April 2014 and subsequently redesignated to Non-Independent Non-Executive Director on 1/4/2015.
3. NYK Group includes NYK, its subsidiary companies and affiliates.

2015/16 EVENTS CALENDAR



8 APRIL 2015

The official opening ceremony of the Royal Malaysian Customs Selangor office Zone 8 & 9 in our Shah Alam premises was held. The ceremony was officiated by the State Director of Customs Selangor, Y. B. Dato' Badaruddin bin Mohamed Rafik and our Managing Director, Mr Lim Jew Kiat.

9 APRIL 2015

The Indonesian Customs department made a visit to our premises to exchange views on customs bonded warehouse procedures.



**2015 FROST &
SULLIVAN WAREHOUSE
MANAGEMENT
COMPANY OF THE YEAR**



14 APRIL 2015

Our Company was awarded the 2015 Frost & Sullivan Warehouse Management Company of the Year. Our Executive Director, Mr Andy Lee received the award on behalf of the Company at the Award Ceremony held in Mandarin Oriental KL.

13 MAY – 15 MAY 2015

The South Asia & Oceania Region (SAOR) Managing Directors and SAOR meeting was held in our Corporate Head Office.

CALENDAR OF EVENTS IN 2015/2016

**13 JULY 2015**

In conjunction with the fasting month, our staff and management visited the Rumah Anak Yatim AS-Solihin in Banting to distribute goodies bag and presented a cheque of RM4,500 to the orphanage home. The money was collected from the staff and company.

**28 AUGUST 2015**

A Safety and Security briefing was conducted by our Company for our transporters.

**15 SEPTEMBER 2015**

The Company held its 40th Annual General Meeting in the Corporate Head Office.

**2 NOVEMBER 2015**

A group of students and their lecturers from Tunku Abdul Rahman University College, Setapak and Universiti Teknologi MARA, Puncak Alam campus visited our Company. They were given a presentation and a tour of our company premises.

**16 NOVEMBER 2015**

A Memorandum of Understanding was signed with Tunku Abdul Rahman University College to absorb and train interns from the logistics and other fields of study.

**20 – 21 FEBRUARY 2016**

A First Aid Awareness Training was conducted on 20 February 2016 and a Fire Fighting Training was conducted on 21 February 2016 in our Tanjung Pelepas Logistics Centre.

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.

CORPORATE SOCIAL RESPONSIBILITY

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. In relation thereto, during the financial year 30 key employees from our Southern region branches were provided with First Aid and Fire Fighting Training in our Tanjung Pelepas Logistics Centre.

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.

b) Dangerous Goods Transportation of Scheduled Wastes Training

In view of expansion to accommodate Dangerous Goods Cargo handling, we had organized a training program for 24 dedicated truck's driver on 1 August 2015.

c) 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 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. In the financial year, more than 100 forklift operators have undergone such certification and refresher programmes.



d) 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. As a certified TAPA TSR (Trucking Security Requirements) & FSR (Facility Security Requirements), a safety and security awareness training was conducted for 51 participants from KLIA branch and 45 participants from Bayan Lepas branch on 26 July 2015 and 25 October 2015 respectively.



e) 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.

CORPORATE SOCIAL RESPONSIBILITY



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.

a) IT Training programme

In order to keep up with technology change, our staff computer literacy has been upgraded with continuously Microsoft training program. More than 600 employees have been trained in Microsoft Power Point, Words and Excel computer skills.

b) Internship programme

A MOU was signed with Tun Abdul Rahman University College on 16 November 2015 on internship and Management Training Programs to let the candidates have the feel of practical real life working environment experiences.

Other collaborations with UiTM, SEGI, INTI, KDU, UCSI, UTAR for internship intake training programs have been established as well.

DONATION

As a part of our company CSR activities, we had annually held a collection among our staff to be donated to orphanage homes during the fasting month. Our Company also contributed to the collection fund. For the financial year, a total of RM 7,000 has been distributed to two orphanage homes. The staff and management visited the Rumah Anak Yatim AS – Solihin in Banting, Klang and distributed goodies bag and presented a cheque for RM4,500. The other recipient was Rumah Anak Yatim Kampung Kuantan.

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.

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 of LED lightings thereby reducing heat and chemical emission.
- Use or purchase of office equipment with energy saving features.
- Maintaining only minimum lightings and air conditionings during lunch hour.

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CORPORATE INFORMATION

DOMICILE	:	Malaysia
LEGAL FORM AND PLACE OF INCORPORATION	:	Public company limited by way of shares incorporated in Malaysia under the Companies Act 1965
REGISTERED OFFICE	:	802, 8th Floor Block C, Kelana Square 17 Jalan SS7/26 47301 Petaling Jaya Selangor Darul Ehsan
PRINCIPAL PLACE OF BUSINESS	:	Lot No.1A, Persiaran Jubli Perak Jalan 22/1, Seksyen 22 40300 Shah Alam Selangor Darul Ehsan

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2016.

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 year.

RESULTS

	Group RM	Company RM
Profit for the year attributable to:-		
Owners of the Company	30,606,581	31,448,061
Non-controlling interests	103,243	-
	30,709,824	31,448,061

DIVIDENDS

During the financial year, the Company paid:

- a final single-tier dividend of 5 sen per ordinary share of RM1.00 each amounting to RM5,000,000 in respect of financial year ended 31 March 2015, and
- an interim single-tier dividend of 2 sen per ordinary share of RM0.50 each amounting to RM4,000,000 in respect of financial year ended 31 March 2016.

The directors propose a final single-tier dividend of 2.5 sen per ordinary share of RM0.50 each amounting to RM5,000,000 in respect of the financial year ended 31 March 2016. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the statements of changes in equity set out on pages 60 and 61.

ISSUE OF SHARES AND DEBENTURES

During the year, the Company implemented a share split involving a subdivision of each of the ordinary share of RM1.00 each of the Company into two (2) fully paid-up ordinary shares of RM0.50 each.

Accordingly, the authorised share capital of the Company was subdivided from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each to facilitate the implementation of the Share Split.

The Company did not increase its paid-up capital nor issue any debentures during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

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
 Mr Masaki Ogane
 Mr Yasushi Ooka

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

In accordance with Section 129 of the Company Act, 1965, Mr Raippan s/o Yagappan @ Raiappan Peter is retiring at the forthcoming Annual General Meeting and, offers himself for re-appointment.

DIRECTORS' INTERESTS IN SHARES

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

	No. of ordinary shares of RM1 each		No. of ordinary shares of RM0.50 each		
	At 1.4.2015	After share split	Additions	Sold/ transferred	At 31.3.2016
The Company					
Mr Lee Check Poh					
- deemed interest	9,830,438	19,660,876	-	-	19,660,876
Mr Tan Kim Yong					
- direct interest	30,000	60,000	-	-	60,000
Mr Lim Jew Kiat					
- direct interest	60,000	120,000	-	-	120,000
Mr Raymond Cha Kar Siang					
- direct interest	11,000	22,000	-	-	22,000
Mr Kwong Hoi Meng					
- direct interest	11,000	22,000	-	-	22,000
Mr Raippan s/o Yagappan @ Raiappan Peter					
- direct interest	11,000	22,000	-	-	22,000
Mr Lee Wan Kai					
- direct interest	10,000	20,000	-	-	20,000

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	No. of ordinary shares of RM1 each			
	At 1.4.2015	Bought	Sold	At 31.3.2016
Subsidiary				
- Omega Saujana Sdn Bhd				
Mr Lee Check Poh				
- direct interest	49,000	-	-	49,000
Subsidiary				
- Piala Kristal (M) Sdn Bhd				
Mr Lee Check Poh				
- direct interest	49,000	-	-	49,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain 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 the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent, or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading, or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company or its subsidiaries which has arisen since the end of the financial year which secures the liabilities of any other person, or
 - (ii) any contingent liability of the Company or its subsidiaries which has arisen since the end of the financial year.
- (d) No contingent or other liability of the Company or its subsidiaries has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Company or its subsidiaries to meet their obligations as and when they fall due.
- (e) At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (f) In the opinion of the directors:
- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

Signed on behalf of the directors in accordance
with a directors' resolution dated 27 May 2016

LEE CHECK POH
Director

LIM JEW KIAT
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TASCO BERHAD

(INCORPORATED IN MALAYSIA)

Report on the Financial Statements

We have audited the financial statements of TASCO Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 55 to 107.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with 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 2016 and of their financial performance and cash flows for year then ended.

Report on Other Legal and Regulatory Requirements

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

- a. In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b. We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors and which is indicated in Note 3 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 (INCORPORATED IN MALAYSIA)

Other Reporting Responsibilities

The supplementary information set out in Note 38 on page 107 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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: 001954
Chartered Accountants

FRANCIS XAVIER JOSEPH
No. 2997/06/16 (J)
Chartered Accountant

Kuala Lumpur

Date: 27 May 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	2	238,772,986	254,375,593
Investment in associated company	4	3,953,884	4,147,719
Other investments	5	1,009,204	1,159,104
Total non-current assets		243,736,074	259,682,416
Current assets			
Inventories	6	156,353	148,738
Trade receivables	7	83,345,680	83,114,096
Other receivables, deposits and prepayments	8	16,338,437	16,143,574
Amount owing by immediate holding company	9	3,627,301	3,005,268
Amounts owing by related companies	11	4,710,501	5,281,172
Amount owing by associated company	12	5,088	-
Current tax assets		5,930,086	7,243,936
Fixed deposits with licenced banks	13	62,768,460	39,101,118
Cash and bank balances	14	29,817,185	17,980,202
Total current assets		206,699,091	172,018,104
TOTAL ASSETS		450,435,165	431,700,520

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	15	100,000,000	100,000,000
Share premium		801,317	801,317
Revaluation reserve		1,400,591	1,400,591
Hedge reserve		(613,269)	241,838
Exchange translation reserve		(112,044)	(147,715)
Retained earnings		218,407,853	196,801,272
Equity attributable to owners of the Company		319,884,448	299,097,303
Non-controlling interests		872,159	768,916
Total equity		320,756,607	299,866,219
Non-current liabilities			
Bank terms loans	16	29,783,903	37,520,184
Deferred tax liabilities	17	8,827,160	8,456,725
Total non-current liabilities		38,611,063	45,976,909
Current liabilities			
Trade payables	18	32,043,877	28,450,271
Other payables, deposits and accruals	19	30,160,263	29,844,863
Amount owing to immediate holding company	9	1,724,280	1,556,413
Amounts owing to related companies	11	3,275,503	5,630,730
Amount owing to associated company	12	343,778	94,448
Bank term loans	16	16,242,615	17,275,191
Current tax liabilities		7,277,179	3,005,476
Total current liabilities		91,067,495	85,857,392
Total liabilities		129,678,558	131,834,301
TOTAL EQUITY AND LIABILITIES		450,435,165	431,700,520

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
ASSETS			
Non-current assets			
Property, plant and equipment	2	191,348,523	206,625,043
Investment in subsidiary companies	3	21,542,565	21,542,565
Investment in associated company	4	3,000,000	3,000,000
Other investments	5	1,009,204	1,159,104
Total non-current assets		216,900,292	232,326,712
Current assets			
Trade receivables	7	81,165,032	78,471,605
Other receivables, deposits and prepayments	8	14,995,937	14,783,056
Amount owing by immediate holding company	9	3,627,301	3,005,268
Amounts owing by subsidiary companies	10	45,060,266	38,518,081
Amounts owing by related companies	11	4,620,692	5,281,172
Amount owing by associated company	12	5,088	-
Current tax assets		5,929,953	7,226,292
Fixed deposits with licenced banks	13	62,768,460	39,101,118
Cash and bank balances	14	20,437,663	12,497,797
Total current assets		238,610,392	198,884,389
TOTAL ASSETS		455,510,684	431,211,101

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016 RM	2015 RM
EQUITY AND LIABILITIES			
Equity			
Share capital	15	100,000,000	100,000,000
Share premium		801,317	801,317
Hedge reserve		(613,269)	241,838
Retained earnings		194,226,967	171,778,906
Total equity		294,415,015	272,822,061
Non-current liabilities			
Bank terms loans	16	29,783,903	37,520,184
Deferred tax liabilities	17	7,877,283	7,831,245
Total non-current liabilities		37,661,186	45,351,429
Current liabilities			
Trade payables	18	29,261,213	26,058,189
Other payables, deposits and accruals	19	28,160,564	24,841,422
Amount owing to immediate holding company	9	1,724,280	1,556,413
Amounts owing to subsidiary companies	10	37,304,709	37,447,533
Amount owing to related companies	11	3,275,503	2,830,729
Amount owing to associated company	12	343,778	94,448
Bank term loans	16	16,242,615	17,275,191
Current tax liabilities		7,121,821	2,933,686
Total current liabilities		123,434,483	113,037,611
Total liabilities		161,095,669	158,389,040
TOTAL EQUITY AND LIABILITIES		455,510,684	431,211,101

The accompanying notes form an integral part of the financial statements

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group		Company	
		2016	2015	2016	2015
		RM	RM	RM	RM
Revenue	20	515,666,031	494,305,143	505,903,981	481,236,541
Cost of sales		(383,623,595)	(360,746,553)	(379,175,629)	(353,410,116)
Gross profit		132,042,436	133,558,590	126,728,352	127,826,425
Other income	21	10,103,774	3,270,653	10,253,354	3,483,689
Administrative and general expenses		(96,211,342)	(94,635,308)	(92,031,500)	(90,935,295)
Profit from operations	22	45,934,868	42,193,935	44,950,206	40,374,819
Finance costs	23	(2,312,128)	(1,359,327)	(1,016,245)	(844,369)
Share of net profit of associated company		459,318	617,908	-	-
Profit before tax		44,082,058	41,452,516	43,933,961	39,530,450
Tax expense	24	(13,372,234)	(10,654,834)	(12,485,900)	(9,849,682)
Profit for the year		30,709,824	30,797,682	31,448,061	29,680,768
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign operation		35,671	5,733	-	-
Fair value adjustment on cash flow hedge		(855,107)	278,095	(855,107)	278,095
Other comprehensive income for the year, net of tax		(819,436)	283,828	(855,107)	278,095
Total comprehensive income for the year		29,890,388	31,081,510	30,592,954	29,958,863
Profit attributable to:					
Owners of the Company		30,606,581	30,680,795	31,448,061	29,680,768
Non-controlling interests		103,243	116,887	-	-
Profit for the year		30,709,824	30,797,682	31,448,061	29,680,768
Total comprehensive income attributable to:					
Owners of the Company		29,787,145	30,964,623	30,592,954	29,958,863
Non-controlling interests		103,243	116,887	-	-
Total comprehensive income for the year		29,890,388	31,081,510	30,592,954	29,958,863
Basic earnings per share attributable to owners of the Company (sen per share)	25	15.30	15.34		

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

		Attributable to owners of the Company									
		Non distributable					Distributable				
Note	Share capital	Share premium	Share Revaluation reserve	Hedge reserve	Exchange translation reserve	Retained earnings	Total	Non-controlling interests	Total	equity	
											RM
Group											
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		
Total comprehensive income for the year	-	-	-	278,095	5,733	30,680,795	30,964,623	116,887	31,081,510		
Dividends paid	26	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)		
Balance at 31 March 2015	100,000,000	801,317	1,400,591	241,838	(147,715)	196,801,272	299,097,303	768,916	299,866,219		
Total comprehensive income for the year	-	-	-	(855,107)	35,671	30,606,581	29,787,145	103,243	29,890,388		
Dividends paid	26	-	-	-	-	(9,000,000)	(9,000,000)	-	(9,000,000)		
Balance at 31 March 2016	100,000,000	801,317	1,400,591	(613,269)	(112,044)	218,407,853	319,884,448	872,159	320,756,607		

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

		← Non distributable →		Distributable		
	Note	Share capital RM	Share premium RM	Hedge reserve RM	Retained earnings RM	Total equity RM
Company						
Balance at 31 March 2014		100,000,000	801,317	(36,257)	151,098,138	251,863,198
Total comprehensive income for the year		-	-	278,095	29,680,768	29,958,863
Dividends paid	26	-	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2015		100,000,000	801,317	241,838	171,778,906	272,822,061
Total comprehensive income for the year		-	-	(855,107)	31,448,061	30,592,954
Dividends paid	26	-	-	-	(9,000,000)	(9,000,000)
Balance at 31 March 2016		100,000,000	801,317	(613,269)	194,226,967	294,415,015

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 2016 RM	2015 RM	Company 2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		44,082,058	41,452,516	43,933,961	39,530,450
Adjustments for:					
Allowance for doubtful debts		466,011	421,335	466,011	421,335
Bad debts written off		293,079	-	293,079	-
Depreciation		17,971,718	16,716,676	16,302,357	16,214,040
Gain on disposal of property, plant and equipment		(5,385,022)	(156,259)	(5,376,909)	(135,859)
Impairment loss of other investment		112,500	45,000	112,500	45,000
Other investments written off		48,000	-	48,000	-
Share of net profit of associated company		(459,318)	(617,908)	-	-
Interest income		(1,102,958)	(799,165)	(1,102,958)	(799,165)
Dividend income		(36,600)	-	(689,753)	(653,153)
Interest expense		2,312,128	1,359,327	1,016,245	844,369
Unrealised gain on foreign exchange		(647,470)	(274,577)	(647,470)	(274,577)
Operating profit before working capital changes		57,654,126	58,146,945	54,355,063	55,192,440
Changes in inventories		(7,615)	(40,092)	-	-
Changes in receivables		(479,142)	1,491,057	(2,794,288)	(3,345,865)
Changes in payables		4,444,259	(4,637,766)	7,370,323	(637,183)
Cash generated from operations		61,611,628	54,960,144	58,931,098	51,209,392
Tax paid		(7,416,246)	(8,305,133)	(6,955,388)	(7,508,284)
Net cash generated from operating activities		54,195,382	46,655,011	51,975,710	43,701,108
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	27	(8,008,767)	(51,513,169)	(6,668,115)	(16,292,581)
Proceeds from disposal of property, plant and equipment		11,411,513	1,058,841	11,403,400	1,037,905
Acquisition of other investments		(10,600)	-	(10,600)	-
Investment in subsidiary company		-	(7,173,824)	-	(7,280,000)
Advance to subsidiary companies		-	-	(6,617,091)	(26,872,213)
Interest received		1,102,958	799,165	1,102,958	799,165
Dividends received		36,600	-	36,600	-
Net cash generated from/(used in) investing activities		4,531,704	(56,828,987)	(752,848)	(48,607,724)

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group 2016 RM	2015 RM	Company 2016 RM	2015 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		8,000,000	39,000,000	8,000,000	39,000,000
Repayment of term loan		(17,001,996)	(14,053,330)	(17,001,996)	(14,053,330)
Repayment to related companies		(2,800,000)	-	-	-
Repayment to subsidiary companies		-	-	(455,727)	(6,251,139)
Payment of hire purchase and finance lease liabilities		-	(13,127)	-	(13,127)
Interest paid		(2,312,128)	(1,359,327)	(1,016,245)	(844,369)
Dividends paid		(9,000,000)	(9,000,000)	(9,000,000)	(9,000,000)
Net cash (used in)/generated from financing activities		(23,114,124)	14,574,216	(19,473,968)	8,838,035
NET INCREASE IN CASH AND CASH EQUIVALENTS					
		35,612,962	4,400,240	31,748,894	3,931,419
CASH AND CASH EQUIVALENTS BROUGHT FORWARD					
		57,081,320	52,461,374	51,598,915	47,450,777
EFFECT OF EXCHANGE RATE CHANGES					
		(108,637)	219,706	(141,686)	216,719
CASH AND CASH EQUIVALENTS CARRIED FORWARD					
		92,585,645	57,081,320	83,206,123	51,598,915
Represented by:					
Fixed deposits with licensed banks		62,768,460	39,101,118	62,768,460	39,101,118
Cash and bank balances		29,817,185	17,980,202	20,437,663	12,497,797
		92,585,645	57,081,320	83,206,123	51,598,915

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 year, the Group and the Company applied a number of new standards, amendments and interpretations that become effective mandatorily for the financial periods beginning on or after 1 April 2015.

The adoption of these new and revised standards, amendments and/or interpretations does not have significant impact on the financial statements of the Group and of the Company.

(c) Standards issued that are not yet effective

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

		Effective date
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116	Incorporating Bearer Plants into the Scope of MFRS 116	1 January 2016
Amendments to MFRS 141	Amendments Resulting from the Incorporation of Bearer Plants into the scope of MFRS 116	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued that are not yet effective (Cont'd)

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 (Cont'd):

Amendments to MFRS 10, MFRS12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

Except as otherwise indicated below, the adoption of the above new standards and amendments 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, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and 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 changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as opposed to the 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 9, and intend to adopt MFRS 9 on the mandatory effective date.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15 Agreements for the Construction of Real Estate, IC Interpretation 18 Transfers of Assets from Customers and IC Interpretation 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

MFRS 16 Leases

Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases but not operating leases. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position, and recording of certain leases as off-balance sheet leases will no longer be allowed except for some limited exemptions. For a lessee that has material operating leases, the application of MFRS 16 may result in significant increase in assets and liabilities reported on its statement of financial position as compared with MFRS 117.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued that are not yet effective (Cont'd)

MFRS 16 Leases (Cont'd)

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group and Company are currently assessing the impact to the financial statements upon adopting MFRS 16, and will adopt MFRS 16 on the mandatory effective date.

(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 year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have 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 2016 were RM238,772,986 and RM191,348,523 (2015: RM254,375,593 and RM206,625,043) 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 collectability 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 2016 were RM104,356,230 and RM146,076,098 (2015: RM105,251,208 and RM137,987,692), 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

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: (Cont'd)

(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 tax expense and deferred tax liabilities 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 2016 were RM5,930,086 and RM5,929,953 (2015: RM7,243,936 and RM7,226,292), respectively.

The carrying amounts of the Group's and Company's tax liabilities (including deferred tax liabilities) as at 31 March 2016 were RM16,104,339 and RM14,999,104 (2015: RM11,462,201 and RM10,764,931), respectively.

(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 year.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Basis of consolidation (Cont'd)

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
 - (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 139 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Business combination (Cont'd)

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.

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(l) (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Associated company (Cont'd)

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

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.

(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

Financial assets

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.

The Group and the Company did not categorised any financial assets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

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

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 (I)(i).

Financial liabilities

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

The Group and the Company did 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

(iv) Derivative financial instruments and hedging (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Recognition and measurement (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment (Cont'd)

(i) Financial assets (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Leases (Cont'd)

(i) Finance lease

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

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

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

(ii) Operating lease

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

Operating lease income or operating lease 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Taxation (Cont'd)

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

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

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

Current tax and deferred tax are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, whether in the same or a 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 and expense, 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 and expense, 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.

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.

(w) Goods and services tax ("GST")

Revenue, expenses and assets are recognised net of GST, unless the GST is not recoverable from the tax authority. The amount of GST not recoverable from the tax authority is recognised as an expense or as part of cost of acquisition of an asset. Receivables and payables relate to such revenue, expenses or acquisitions of assets are presented in the statement of financial position inclusive of GST recoverable or GST payable.

GST recoverable from or payable to tax authority may be presented on net basis should such amounts are related to GST levied by the same tax authority and the taxable entity has a legally enforceable right to set off such amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY PLANT AND EQUIPMENT

Group 2016	Freehold land and building RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Air conditioners, office renovation and pallets RM	Total RM
Cost								
At 1.4.2015	18,562,832	161,218,345	51,568,244	85,023,249	16,748,619	21,573,428	36,902,798	391,597,515
Additions	645,370	429,132	-	3,592,543	622,596	1,711,247	1,392,092	8,392,980
Disposals	(6,500,000)	-	-	(2,214,053)	(289,700)	(7,263)	(29,280)	(9,040,296)
Exchange differences	-	-	-	-	-	7,999	2,845	10,844
At 31.3.2016	12,708,202	161,647,477	51,568,244	86,401,739	17,081,515	23,285,411	38,268,455	390,961,043
Accumulated depreciation								
At 1.4.2015	1,169,424	24,601,333	4,511,541	64,902,576	12,014,412	13,386,899	16,635,737	137,221,922
Charge for the year	261,334	3,393,812	793,401	6,586,609	1,659,827	1,825,007	3,451,728	17,971,718
Disposals	(500,500)	-	-	(2,203,536)	(289,700)	(5,362)	(14,707)	(3,013,805)
Exchange differences	-	-	-	-	-	2,954	5,268	8,222
At 31.3.2016	930,258	27,995,145	5,304,942	69,285,649	13,384,539	15,209,498	20,078,026	152,188,057
Net carrying amount								
At 31.3.2016	11,777,944	133,652,332	46,263,302	17,116,090	3,696,976	8,075,913	18,190,429	238,772,986

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Group 2015	Freehold land and building RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Office conditioners, renovation and pallets RM	Air Office RM	Total RM
Cost									
At 1.4.2014	15,725,972	122,823,222	45,326,454	78,875,245	14,603,002	19,677,207	32,293,354	329,324,456	
Acquisition of a subsidiary	-	3,607,121	6,214,535	-	-	-	-	9,821,656	
Additions	2,836,860	34,788,002	27,255	7,178,374	2,481,317	1,889,118	5,182,559	54,383,485	
Disposals	-	-	-	(916,511)	(335,700)	(5,566)	(568,750)	(1,826,527)	
Write-offs	-	-	-	(113,859)	-	-	-	(113,859)	
Reclassification	-	-	-	-	-	9,987	(9,987)	-	
Exchange differences	-	-	-	-	-	2,682	5,622	8,304	
At 31.03.2015	18,562,832	161,218,345	51,568,244	85,023,249	16,748,619	21,573,428	36,902,798	391,597,515	
Accumulated depreciation									
At 1.4.2014	958,957	22,268,554	3,715,078	58,729,541	10,770,075	11,653,103	13,442,183	121,537,491	
Charge for the year	210,467	2,332,779	796,463	7,029,823	1,418,037	1,734,408	3,194,699	16,716,676	
Disposals	-	-	-	(742,929)	(173,700)	(2,471)	(4,845)	(923,945)	
Write-offs	-	-	-	(113,859)	-	-	-	(113,859)	
Exchange differences	-	-	-	-	-	1,859	3,700	5,559	
At 31.3.2015	1,169,424	24,601,333	4,511,541	64,902,576	12,014,412	13,386,899	16,635,737	137,221,922	
Net carrying amount									
At 31.3.2015	17,393,408	136,617,012	47,056,703	20,120,673	4,734,207	8,186,529	20,267,061	254,375,593	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company 2016	Freehold land and building RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Office conditioners, office renovation and pallets RM	Total RM
Cost								
At 1.4.2015	18,524,261	108,839,559	39,274,288	79,973,405	16,435,482	21,342,001	36,646,270	321,035,266
Additions	645,370	-	-	3,592,543	424,595	1,436,582	953,238	7,052,328
Disposals	(6,500,000)	-	-	(2,136,536)	(289,700)	(7,263)	(29,280)	(8,962,779)
At 31.3.2016	12,669,631	108,839,559	39,274,288	81,429,412	16,570,377	22,771,320	37,570,228	319,124,815
Accumulated depreciation								
At 1.4.2015	1,130,853	9,978,835	3,190,996	58,386,971	12,002,715	13,274,354	16,445,499	114,410,223
Charge for the year	261,334	2,195,078	478,091	6,586,609	1,612,163	1,771,686	3,397,396	16,302,357
Disposals	(500,500)	-	-	(2,126,019)	(289,700)	(5,362)	(14,707)	(2,936,288)
At 31.3.2016	891,687	12,173,913	3,669,087	62,847,561	13,325,178	15,040,678	19,828,188	127,776,292
Net carrying amount								
At 31.3.2016	11,777,944	96,665,646	35,605,201	18,581,851	3,245,199	7,730,642	17,742,040	191,348,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

2. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Company 2015	Freehold land and building RM	Leasehold buildings RM	Leasehold land RM	Motor vehicles RM	Plant and machinery RM	Office furniture and fittings RM	Air equipment, conditioners, office renovation and pallets RM	Total RM
Cost								
At 1.4.2014	15,687,401	108,839,559	39,274,288	73,711,542	14,589,165	19,558,927	32,037,311	303,698,193
Additions	2,836,860	-	-	7,178,374	2,182,017	1,787,937	5,177,709	19,162,897
Disposals	-	-	-	(916,511)	(335,700)	(4,863)	(568,750)	(1,825,824)
At 31.3.2015	18,524,261	108,839,559	39,274,288	79,973,405	16,435,482	21,342,001	36,646,270	321,035,266
Accumulated depreciation								
At 1.4.2014	920,386	7,783,757	2,712,905	52,100,077	10,762,109	11,566,944	13,273,783	99,119,961
Charge for the period	210,467	2,195,078	478,091	7,029,823	1,414,306	1,709,714	3,176,561	16,214,040
Disposals	-	-	-	(742,929)	(173,700)	(2,304)	(4,845)	(923,778)
At 31.3.2015	1,130,853	9,978,835	3,190,996	58,386,971	12,002,715	13,274,354	16,445,499	114,410,223
Net carrying amount								
At 31.3.2015	17,393,408	98,860,724	36,083,292	21,586,434	4,432,767	8,067,647	20,200,771	206,625,043

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

3. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2016 RM	2015 RM
Unquoted shares at cost	21,542,565	21,542,565

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		Country of	Principal activities
	2016 %	2015 %	incorporation	
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
Titian Pelangi Sdn Bhd	100	100	Malaysia	Warehouse rental
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

4. INVESTMENT IN ASSOCIATED COMPANY

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 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	953,884	1,147,719	-	-
	3,953,884	4,147,719	3,000,000	3,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

4. INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

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

	Equity interest		Principal activities
	2016	2015	
	%	%	
Agate Electro Supplies Sdn Bhd ("AESSB")	50	50	Warehouse rental

The financial year end of AESSB is 31 December. The financial year end of AESSB is determined by the controlling shareholders of AESSB since its incorporation. For the purpose of applying the equity method in the consolidated financial statements, the audited financial statements of AESSB for the year ended 31 December 2015 have been used.

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

	Year ended 31.3.2016 RM	Year ended 31.3.2015 RM
Group's share of profit	459,318	617,908
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	459,318	617,908

The summarised financial information of the Group's associated company as at 31 December is as follow:

	2016 RM	2015 RM
Non-current assets	10,128,470	10,570,726
Current assets	344,454	202,973
Non-current liabilities	(2,179,334)	(2,179,334)
Current liabilities	(385,822)	(298,927)
Net assets	7,907,768	8,295,438
Revenue	1,833,975	2,257,200
Profit for the year	918,637	1,235,816

5. OTHER INVESTMENTS

	Group/Company	
	2016 RM	2015 RM
<u>Classified as AFS financial assets</u>		
Unquoted shares at cost	367,700	367,700
Transferable corporate club memberships at cost	819,003	856,403
	1,186,703	1,224,103
Impairment loss	(177,499)	(64,999)
	1,009,204	1,159,104

6. INVENTORIES

Inventories represent parts and consumables at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

7. TRADE RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Gross trade receivables	86,138,390	85,783,719	83,957,742	81,141,228
Allowance for doubtful debts	(2,792,710)	(2,669,623)	(2,792,710)	(2,669,623)
	83,345,680	83,114,096	81,165,032	78,471,605

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	79,978,823	78,556,703	79,255,685	76,207,334
- US Dollar	4,519,756	3,063,546	4,349,783	3,063,546
- Singapore Dollar	1,639,811	4,142,350	352,274	1,849,228
- Thai Baht	-	21,120	-	21,120
	86,138,390	85,783,719	83,957,742	81,141,228

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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other receivables	2,509,788	3,608,370	2,321,329	3,460,109
GST recoverable	75,597	-	-	-
Deposits	4,267,043	3,805,102	3,461,158	2,814,257
Prepayments	3,670,777	2,292,902	3,398,218	2,071,490
Derivative financial assets	5,815,232	6,437,200	5,815,232	6,437,200
	16,338,437	16,143,574	14,995,937	14,783,056

The currency exposure profile of gross other receivables (excluding GST recoverable and prepayments) is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	5,777,628	6,385,460	5,782,487	6,274,366
- US Dollar	5,815,232	6,437,200	5,815,232	6,437,200
- Singapore Dollar	999,203	1,028,012	-	-
	12,592,063	13,850,672	11,597,719	12,711,566

9. AMOUNT OWING BY/TO IMMEDIATE HOLDING COMPANY

The immediate holding company is Yusen Logistic Co., Ltd, a company incorporated in Japan.

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

The amount owing by/to the immediate holding company represent trade accounts which are expected to be settled within the normal credit periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

9. AMOUNT OWING BY/TO IMMEDIATE HOLDING COMPANY (CONT'D)

The currency exposure profile of amount owing by immediate holding company is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	2,998,129	2,430,959	2,998,129	2,430,959
- US Dollar	355,378	318,813	355,378	318,813
- Singapore Dollar	250,094	255,496	250,094	255,496
- Japanese Yen	23,700	-	23,700	-
	3,627,301	3,005,268	3,627,301	3,005,268

The currency exposure profile of amounts owing to immediate holding company is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	194,549	7,669	194,549	7,669
- Japanese Yen	1,527,370	1,548,744	1,527,370	1,548,744
- US Dollar	2,361	-	2,361	-
	1,724,280	1,556,413	1,724,280	1,556,413

10. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

The amounts owing by subsidiary companies comprise:

	Company	
	2016	2015
	RM	RM
Trade accounts	685,420	760,326
Non-interest bearing advances	44,374,846	37,757,755
	45,060,266	38,518,081

Included in non-interest bearing advances is payment made on behalf by the Company amounting to RM25,198,656 (2015: RM24,532,250) for the property, plant and equipment acquired by a subsidiary company.

The amounts owing to subsidiary companies comprise:

	Company	
	2016	2015
	RM	RM
Trade accounts	11,122,043	10,809,140
Non-interest bearing advances	26,182,666	26,638,393
	37,304,709	37,447,533

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

11. 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	2,101,106	2,553,220	2,011,297	2,553,220
- US Dollar	1,596,693	2,194,026	1,596,693	2,194,026
- Singapore Dollar	835,247	395,776	835,247	395,776
- Thai Baht	120,338	138,150	120,338	138,150
- Euro	35,313	-	35,313	-
- Chinese Yuan Renminbi	21,804	-	21,804	-
	4,710,501	5,281,172	4,620,692	5,281,172

Amount owing to related companies comprise:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Trade accounts	3,275,503	2,830,730	3,275,503	2,830,729
Non trade account	-	2,800,000	-	-
	3,275,503	5,630,730	3,275,503	2,830,729

The non trade account represents unsecured interest free advances which are repayable on demand.

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

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Ringgit Malaysia	83,680	2,858,173	83,680	58,172
Singapore dollar	395,838	769,151	395,838	769,151
US Dollar	1,204,506	792,759	1,204,506	792,759
Thai Baht	199,633	120,169	199,633	120,169
Japanese Yen	162,843	80,753	162,843	80,753
Australia Dollar	4,803	11,050	4,803	11,050
Canada Dollar	7,371	611	7,371	611
Chinese Yuan Renminbi	678,105	339,797	678,105	339,797
Euro	253,170	310,031	253,170	310,031
Great Britain Pound	28,203	10,462	28,203	10,462
Hong Kong Dollar	176,028	252,752	176,028	252,752
Indian Rupee	4,513	40	4,513	40
South Korean Won	55,359	68,693	55,359	68,693
New Taiwan Dollar	18,712	16,287	18,712	16,287
Swedish Krona	2,739	2	2,739	2
	3,275,503	5,630,730	3,275,503	2,830,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

12. AMOUNTS OWING BY/TO ASSOCIATED COMPANY

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

13. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the Group's and of the Company's deposits range from 3.05% to 3.30% (2015: 3.05% to 3.25%) per annum. All the deposits have maturities of three months or less.

14. CASH AND BANK BALANCES

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	17,835,324	16,325,287	9,039,943	11,235,262
- US Dollar	10,535,619	481,089	10,535,619	481,089
- Singapore Dollar	1,430,449	1,088,759	846,308	696,379
- Thai Baht	15,793	85,067	15,793	85,067
	29,817,185	17,980,202	20,437,663	12,497,797

15. SHARE CAPITAL

	2016		2015	
	Number of shares	RM	Number of shares	RM
Authorised:				
Balance as at 1 April (ordinary shares of RM1 each)	200,000,000	200,000,000	200,000,000	200,000,000
Share split, into RM0.50 each	200,000,000	-	-	-
Balance as at 31 March (ordinary shares of RM0.50/RM1 each)	400,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:				
Balance as at 1 April (ordinary shares of RM1 each)	100,000,000	100,000,000	100,000,000	100,000,000
Share split, into RM0.50 each	100,000,000	-	-	-
Balance as at 31 March (ordinary shares of RM0.50/RM1 each)	200,000,000	100,000,000	100,000,000	100,000,000

During the year, the Company implemented a share split involving a subdivision of each of the ordinary share of RM1.00 each of the Company into two (2) fully paid-up ordinary shares of RM0.50 each.

Accordingly, the authorised share capital of the Company was subdivided from RM200,000,000 comprising 200,000,000 ordinary shares of RM1.00 each to RM200,000,000 comprising 400,000,000 ordinary shares of RM0.50 each to facilitate the implementation of the Share Split.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

15. SHARE CAPITAL (CONT'D)

The main features of the ESOS proposed to be set out in the By-Laws are as follows:

- (a) The maximum number of new shares which may be issued and allotted shall not in aggregate exceed fifteen per cent (15%) of the issued and paid-up share capital of the Company at any point in time during the existence of the ESOS.
- (b) To qualify for participation in the ESOS, only employees who are employed full-time by the Company or its subsidiary companies and executive directors who:
 - (i) shall have attained the age of eighteen (18) years by the Date of Offer;
 - (ii) must fall within such other categories and criteria that the ESOS Committee may decide from time to time at its absolute discretion;
 - (iii) must have been employed for a continuous period of at least one (1) year in the Group and his employment must have been confirmed by the Date of Offer.
- (c) The maximum number of options to be offered to each eligible employee shall be at the discretion of the ESOS Committee. In exercising its discretion, the ESOS Committee shall take into consideration the seniority, performance and length of service of each eligible employee, subject to the following:
 - (i) there should be equitable allocation to the various grades of eligible employees, such that not more than 50% of the shares available under the ESOS should be allocated, in aggregate, to executive directors and senior management.
 - (ii) not more than 10% of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through persons connected with the director or employee, holds 20% or more in the issued and paid-up capital of the Company. For the purposes of these By-Laws, unless the context otherwise requires, "persons connected with an eligible employee" or "persons connected with a director" shall have the same meaning given in relation to persons connected with a director or major shareholder.
- (d) The price at which the grantee is entitled to subscribe for each new share shall be based on five (5) days weighted average market price of the Shares in the Company preceding the Date of Offer, with a discount that does not exceed ten per cent (10%) or at the par value of the shares, whichever is higher.
- (e) All new shares issued pursuant to the exercise of Options will upon such allotment and issuance rank in pari passu in all respects with the then existing issued and paid-up shares, save and except that they are not entitled to dividends, rights, allotments and/or other distributions whereby the entitlement date for such dividends, rights, allotments and/or other distributions is prior to the date of allotment of the new shares. The new shares will be subject to all the provisions of the Articles of Association of the Company in relation to transfer, transmission or otherwise.
- (f) The number of shares under option or the exercise price or both, so far as the option remains unexercised, may be adjusted following any variation in the issued share capital of the Company by way of rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of shares or reduction of capital and other variation of capital of the Company.
- (g) The ESOS shall be in force for a period of five (5) years from the effective date subject however to any extension or renewal for a further period of five (5) years if the Board deemed fit, upon the recommendation of the ESOS Committee. Save for any amendments and/or changes to the relevant statutes guidelines and/or regulations currently in force, no further approval shall be required for the extension of the ESOS provided that the Company shall serve appropriate notices on each grantee and/or make necessary announcements to any/or all the relevant parties within thirty (30) days prior to the expiry of the ESOS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

16. BANK TERM LOANS

	Group/Company	
	2016	2015
	RM	RM
The long term bank loans are repayable as follows:		
- not later than one year (<i>included under current liabilities</i>)	16,242,615	17,275,191
- later than one year but not later than five years (<i>included under non-current liabilities</i>)	29,783,903	37,520,184
	46,026,518	54,795,375

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

16. 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	2016 RM	2015 RM
3,000,000	50,000	25 February 2011	0.875% above KLIBOR	-	658,825
3,000,000	50,000	31 March 2011	0.875% above KLIBOR	-	718,719
1,500,000	25,000	29 August 2011	0.875% above KLIBOR	63,077	553,612
1,500,000	25,000	30 September 2011	0.875% above KLIBOR	126,155	588,505
3,000,000	50,000	29 April 2011	0.875% above KLIBOR	189,233	798,399
3,000,000	50,000	31 May 2011	0.875% above KLIBOR	256,879	875,641
3,000,000	50,000	29 June 2011	0.875% above KLIBOR	160,549	843,309
3,000,000	50,000	29 July 2011	0.875% above KLIBOR	192,659	898,798
1,500,000	25,000	31 October 2011	0.875% above KLIBOR	224,769	579,287
1,500,000	25,000	30 November 2011	0.875% above KLIBOR	256,879	609,776
2,000,000	33,333	20 December 2011	0.875% above KLIBOR	385,341	853,703
3,000,000	50,000	1 April 2012	0.875% above KLIBOR	736,226	1,398,113
6,000,000	100,000	9 July 2013	4.25% at fixed rate per annum.	3,667,293	4,875,000
10,000,000	183,333	19 May 2014	4.56% at fixed rate per annum.	8,659,167	9,750,000
10,000,000	116,667	10 October 2014	4.62% at fixed rate per annum.	6,137,058	10,716,944
7,000,000	166,667	7 November 2014	4.61% at fixed rate per annum.	7,852,322	7,381,141
10,000,000	196,000	24 February 2015	4.60% at fixed rate per annum.	8,521,558	10,579,669
2,000,000	35,000	28 April 2015	4.60% at fixed rate per annum.	1,760,468	2,115,934
8,000,000	196,000	28 April 2015	4.60% at fixed rate per annum.	6,836,885	-
				46,026,518	54,795,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

17. DEFERRED TAX LIABILITIES

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
At beginning of the year	8,456,725	8,770,050	7,831,245	8,423,532
Acquisition of a subsidiary	-	191,000	-	-
Transfer from/(to) profit or loss	370,435	(504,325)	46,038	(592,287)
At end of the year	8,827,160	8,456,725	7,877,283	7,831,245

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

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Tax effects of:				
- excess of capital allowances and lease rental over accumulated depreciation on property, plant and equipment	9,035,261	8,771,272	8,392,140	8,471,955
- surplus on revaluation of land and buildings	306,756	326,163	-	-
- allowance for doubtful debts	(670,250)	(640,710)	(670,250)	(640,710)
- unrealised gain on foreign exchange	155,393	-	155,393	-
	8,827,160	8,456,725	7,877,283	7,831,245

18. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
- Ringgit Malaysia	30,654,622	26,998,438	28,914,773	25,877,921
- Singapore Dollar	1,054,376	1,290,392	11,561	18,827
- Thai Baht	86,673	3,192	86,673	3,192
- US Dollar	205,084	122,346	205,084	122,346
- Japanese Yen	8,823	16,601	8,823	16,601
- Chinese Yuan Renminbi	-	3,702	-	3,702
- Euro	15,542	1,919	15,542	1,919
- Norwegian Krone	18,757	13,681	18,757	13,681
	32,043,877	28,450,271	29,261,213	26,058,189

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

19. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Other sundry payables, deposits and accruals	28,986,598	29,844,863	27,148,575	24,841,422
GST payable	1,173,665	-	1,011,989	-
	30,160,263	29,844,863	28,160,564	24,841,422

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

19. OTHER PAYABLES, DEPOSITS AND ACCRUALS (CONT'D)

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

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
- Ringgit Malaysia	28,932,758	29,612,008	27,148,575	24,841,422
- Singapore Dollar	53,840	232,855	-	-
	28,986,598	29,844,863	27,148,575	24,841,422

20. REVENUE

Revenue represents the invoiced value of transportation and related services rendered.

21. OTHER INCOME

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Gross dividends from				
- associated company	-	-	653,153	653,153
- unquoted investments	36,600	-	36,600	-
Interest income	1,102,958	799,165	1,102,958	799,165
Gain on disposal of property, plant and equipment	5,385,022	156,259	5,376,909	135,859
Realised gain on foreign exchange	2,019,306	610,427	2,019,030	610,427
Unrealised gain on foreign exchange	647,470	274,577	647,470	274,577
Operating lease income from land and buildings	331,500	307,500	331,500	307,500
Sundry income	580,918	1,122,725	85,734	703,008
	10,103,774	3,270,653	10,253,354	3,483,689

22. PROFIT FROM OPERATIONS

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit from operations is stated after charging:				
Auditors' remuneration				
- statutory audit	196,042	172,290	92,000	84,256
- review of quarterly financial statements	68,000	68,000	68,000	68,000
Allowance for doubtful debts	466,011	421,335	466,011	421,335
Bad debts written off	293,079	-	293,079	-
Depreciation	17,971,718	16,716,676	16,302,357	16,214,040
Directors' remuneration				
- fees	328,389	96,000	96,000	96,000
- other emoluments	3,471,291	3,622,531	3,368,007	3,325,091
Impairment loss on other investments	112,500	45,000	112,500	45,000
Other investments written off	48,000	-	48,000	-
Operating lease rentals				
- land and buildings	14,396,928	11,037,403	12,464,222	10,005,264
- trucks	3,086,004	3,720,519	1,818,430	1,973,602
- forklifts	2,460,089	1,987,705	2,312,910	1,807,413
- office equipment	701,825	643,087	678,700	634,673

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

23. FINANCE COSTS

	Group 2016 RM	2015 RM	Company 2016 RM	2015 RM
Interest paid or payable on term loans	2,312,128	1,359,327	1,016,245	844,369

24. TAX EXPENSE

	Group 2016 RM	2015 RM	Company 2016 RM	2015 RM
Malaysian tax based on results for the year				
- current	11,625,097	11,750,634	11,103,043	11,000,000
- deferred	(1,106,514)	434,480	(1,430,911)	350,013
	10,518,583	12,185,114	9,672,132	11,350,013
Under/(Over) provision in prior years				
- current	1,376,702	(591,475)	1,336,819	(558,031)
- deferred	1,476,949	(938,805)	1,476,949	(942,300)
	13,372,234	10,654,834	12,485,900	9,849,682

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 2016 RM	2015 RM	Company 2016 RM	2015 RM
Accounting profit	43,622,740	40,834,608	43,933,961	39,530,450
Taxation at applicable statutory tax rate of 24%/25%	10,469,458	10,208,652	10,544,151	9,882,613
Tax effects arising from:				
- non-deductible expenses	1,101,948	1,911,380	662,346	1,664,653
- non-taxable income	(1,354,892)	(33,964)	(1,534,365)	(197,253)
Deferred tax benefits not recognised	513,518	41,068	-	-
Effect of different tax rate in another country	(211,449)	57,978	-	-
Under/(Over) provision in prior years	2,853,651	(1,530,280)	2,813,768	(1,500,331)
	13,372,234	10,654,834	12,485,900	9,849,682

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

	Group 2016 RM	2015 RM	Company 2016 RM	2015 RM
Unabsorbed tax losses	6,364,275	3,343,582	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 RM30,606,581 (2015: RM30,680,795) and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2016 RM	2015 RM
Number of ordinary shares at 1 April	100,000,000	100,000,000
Effects of shares split during the year	100,000,000	100,000,000 [#]
Weighted average number of ordinary shares at 31 March	200,000,000	200,000,000

[#] The weighted average number of ordinary shares for the previous year has been adjusted retrospectively for the effect of share split (Note 15).

26. DIVIDENDS

	2016 RM	2015 RM
In respect of the financial year ended 31 March 2014:		
- Final single tier dividend of 5.00 sen per share	-	5,000,000
In respect of the financial year ended 31 March 2015:		
- Interim single tier dividend of 4.00 sen per share	-	4,000,000
- Final single tier dividend of 5.00 sen per share	5,000,000	-
In respect of the financial year ended 31 March 2016:		
- Interim single tier dividend of 2.00 sen per share	4,000,000	-
	9,000,000	9,000,000

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Aggregate cost of property, plant and equipment acquired	8,392,980	54,383,485	7,052,328	19,162,897
Unpaid balance included under others payables (Note 19)	(384,213)	(2,870,316)	(384,213)	(2,870,316)
Total cash paid during the financial year	8,008,767	51,513,169	6,668,115	16,292,581

28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Employee benefits expense	80,186,554	80,017,468	59,666,645	60,211,863

Included in the employee benefits expense are EPF contributions amounting to RM6,477,849 (2015: RM6,056,725) for the Group and RM4,060,955 (2015: RM3,911,218) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

29. RELATED PARTY DISCLOSURES

The Company is a subsidiary company of Yusen Logistics Co. Ltd, a company incorporated Japan. The directors regard Nippon Yusen Kabushiki Kaisha ("NYK"), a company incorporated in Japan, as the ultimate holding company.

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all directors of the Group, and certain members of senior management of the Group.

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

	--- Transaction value ---		-- Balance outstanding --	
	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
<i>Transactions with subsidiary companies</i>				
Rental of trucks paid and payable	1,282,580	659,133	206,421	44,900
Labour charges paid and payable	21,067,676	20,414,622	3,817,763	3,484,413
Rental of premises paid and payables	3,777,462	1,389,577	2,695,575	714,278
Maintenance charges paid and payable	6,237,241	6,558,603	3,286,399	3,091,473
Handling fees paid and payable	1,531,271	1,515,500	1,115,885	3,474,076
Related logistic services paid	6,000	-	-	-
Handling fees received and receivable	154,726	116,273	37,170	122,594
Related logistics services received and receivable	5,042,575	3,732,750	536,716	492,732
Rental of premises received	-	76,000	-	-
Rental of trucks received and receivable	2,089,753	4,842,870	111,534	145,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

29. RELATED PARTY DISCLOSURES (CONT'D)

	Transaction value				Balance outstanding			
	Group		Company		Group		Company	
	2016	2015	2016	2015	2016	2015	2016	2015
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Transactions with immediate holding company</i>								
Related logistic services received and receivable	40,061,507	34,703,429	40,061,507	34,703,429	3,627,301	3,005,268	3,627,301	3,005,268
Related logistic services paid and payable	13,092,504	10,573,416	13,092,504	10,573,416	1,724,280	1,556,413	1,724,280	1,556,413
<i>Transactions with subsidiary companies of the ultimate holding company</i>								
Related logistic services received and receivable	34,681,599	33,863,477	34,681,599	33,863,477	4,710,501	5,281,172	4,620,692	5,281,172
Rental received and receivable	300,000	300,000	300,000	300,000	-	-	-	-
Related logistic services paid and payable	50,663,962	50,153,270	50,663,962	50,153,270	3,275,503	2,830,730	3,275,503	2,830,729
Management fee paid and payable	3,534,952	3,002,400	3,534,952	3,002,400	-	-	-	-
Consultancy fees paid	582,085	509,500	582,085	509,500	-	-	-	-
Acquisition of a subsidiary	-	7,280,000	-	7,280,000	-	-	-	-
<i>Transactions with associated company</i>								
Rental of premises paid and payable	1,128,600	1,128,600	1,128,600	1,128,600	343,778	94,448	343,778	94,448
Accounting fee received and receivable	19,200	19,200	19,200	19,200	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

30. KEY MANAGEMENT PERSONNEL COMPENSATION

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
<i>Directors</i>				
Short-term employee benefits				
- salary, bonus and allowances	3,137,949	3,315,301	3,034,665	3,017,861
Post-employment benefits				
- EPF	333,342	307,230	333,342	307,230
	3,471,291	3,622,531	3,368,007	3,325,091
<i>Other key management personnel</i>				
Short-term employee benefits				
- salary, bonus and allowances	911,050	1,010,960	911,050	1,010,960
Post-employment benefits				
- EPF	48,180	69,066	48,180	69,066
	959,230	1,080,026	959,230	1,080,026
Total compensation	4,430,521	4,702,557	4,327,237	4,405,117

31. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group leases land/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 with initial period of 2 to 3 years. 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Not later than one year	2,925,240	1,128,600	2,925,240	1,128,600
Later than one year but not later than 5 years	2,357,230	846,450	2,357,230	846,450
	5,282,470	1,975,050	5,282,470	1,975,050

The Group as lessor

The Group leases out its motor vehicles under cancellable operating lease arrangement to a third party.

32. OTHER COMMITMENTS

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Authorised and contracted for acquisition of property, plant and equipment	682,486	4,710,064	671,856	4,710,064

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

33. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

2016 Group	Loans and receivables RM	Available- for-sale RM	Total RM
Financial assets			
<u>Assets as per statement of financial position</u>			
Other investments	-	1,009,204	1,009,204
Trade receivables	83,345,680	-	83,345,680
Other receivables excluding prepayments and GST recoverable	12,592,063	-	12,592,063
Amounts owing by immediate holding company	3,627,301	-	3,627,301
Amounts owing by related companies	4,710,501	-	4,710,501
Amounts owing by associated company	5,088	-	5,088
Fixed deposits with a licensed banks	62,768,460	-	62,768,460
Cash and bank balances	29,817,185	-	29,817,185
Total financial assets	196,866,278	1,009,204	197,875,482

2015 Group

Financial assets

Assets as per statement of financial position

Other investments	-	1,159,104	1,159,104
Trade receivables	83,114,096	-	83,114,096
Other receivables excluding prepayments	13,850,672	-	13,850,672
Amounts owing by immediate holding company	3,005,268	-	3,005,268
Amounts owing by related companies	5,281,172	-	5,281,172
Fixed deposits with a licensed banks	39,101,118	-	39,101,118
Cash and bank balances	17,980,202	-	17,980,202
Total financial assets	162,332,528	1,159,104	163,491,632

2016 Group

At amortised cost RM

Financial liabilities

Liabilities as per statement of financial position

Trade payables	32,043,877
Other payables and accruals excluding GST payable	28,986,598
Amounts owing to immediate holding company	1,724,280
Amounts owing to related companies	3,275,503
Amount owing to associated company	343,778
Bank term loans	46,026,518
Total financial liabilities	112,400,554

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

33. FINANCIAL INSTRUMENTS (CONT'D)

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

2015 Group	At amortised cost RM
Financial liabilities	
<u>Liabilities as per statement of financial position</u>	
Trade payables	28,450,271
Other payables and accruals	29,844,863
Amounts owing to immediate holding company	1,556,413
Amounts owing to related companies	5,630,730
Amount owing to associated company	94,448
Bank term loans	54,795,375
Total financial liabilities	120,372,100

2016 Company	Loans and receivables RM	Available- for-sale RM	Total RM
Financial assets			
<u>Assets as per statement of financial position</u>			
Other investments	-	1,009,204	1,009,204
Trade receivables	81,165,032	-	81,165,032
Other receivables excluding prepayments and GST recoverable	11,597,719	-	11,597,719
Amounts owing by immediate holding company	3,627,301	-	3,627,301
Amounts owing by subsidiaries companies	45,060,266	-	45,060,266
Amounts owing by related companies	4,620,692	-	4,620,692
Amounts owing by associated company	5,088	-	5,088
Fixed deposits with a licensed banks	62,768,460	-	62,768,460
Cash and bank balances	20,437,663	-	20,437,663
Total financial assets	229,282,221	1,009,204	230,291,245

2015 Company			
Financial assets			
<u>Assets as per statement of financial position</u>			
Other investments	-	1,159,104	1,159,104
Trade receivables	78,471,605	-	78,471,605
Other receivables excluding prepayments	12,711,566	-	12,711,566
Amounts owing by immediate holding company	3,005,268	-	3,005,268
Amounts owing by subsidiaries companies	38,518,081	-	38,518,081
Amounts owing by related companies	5,281,172	-	5,281,172
Fixed deposits with a licensed banks	39,101,118	-	39,101,118
Cash and bank balances	12,497,797	-	12,497,797
Total financial assets	189,586,607	1,159,104	190,745,711

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

33. FINANCIAL INSTRUMENTS (CONT'D)

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

2016 Company	At amortised cost RM
Financial liabilities	
<u>Liabilities as per statement of financial position</u>	
Trade payables	29,261,213
Other payables and accruals excluding GST payable	27,148,575
Amounts owing to immediate holding company	1,724,280
Amounts owing to subsidiary companies	37,304,709
Amounts owing to related companies	3,275,503
Amount owing to associated company	343,778
Bank term loans	46,026,518
Total financial liabilities	145,084,576
2015 Company	
Financial liabilities	
<u>Liabilities as per statement of financial position</u>	
Trade payables	26,058,189
Other payables and accruals	24,841,422
Amounts owing to immediate holding company	1,556,413
Amounts owing to subsidiary companies	37,447,533
Amounts owing to related companies	2,830,729
Amount owing to associated company	94,448
Bank term loans	54,795,375
Total financial liabilities	147,624,109

(b) Fair value of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

33. FINANCIAL INSTRUMENTS (CONT'D)

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

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
2016		
Other investments		
Unquoted shares	302,701	*
Transferable corporate club memberships	706,503	*
Total	1,009,204	*
 Term loans - fixed rate	 46,026,518	 45,413,249
 2015		
Other investments		
Unquoted shares	302,701	*
Transferable corporate club memberships	856,403	*
Total	1,159,104	*
 Term loans - fixed rate	 54,795,375	 55,037,206

* 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 Group and the Company's financial instruments carried at fair value are categorised as Level 2.

There were no transfers between level 1, 2 and 3 for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 other comprehensive income, 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 RM2,312,437 (2015: RM412,779).

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 2016. 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 RM97,009 (2015: RM86,624), as a result of higher or lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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

Credit risk

Credit risk is the risk of loss that may arise from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position.

The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counterparties.

Exposure to credit risk arising from sales made on deferred terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

The Group seeks to invest its surplus cash safely by depositing them with licensed financial institutions.

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

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 RM9.84 million (2015: RM15.5 million) or 13% (2015: 20%) 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 which are trade in nature is as follows:

2016	Group		Company	
	Gross RM	Impairment RM	Gross RM	Impairment RM
Not past due	53,967,427	-	53,449,828	-
Less than 30 days past due	14,631,506	-	13,243,415	-
Between 30 and 90 days past due	2,464,704	-	2,209,431	-
More than 90 days past due	15,074,753	2,792,710	15,055,068	2,792,710
	86,138,390	2,792,710	83,957,742	2,792,710
2015				
Not past due	52,507,632	-	48,686,197	-
Less than 30 days past due	5,572,513	-	5,204,792	-
Between 30 and 90 days past due	13,258,407	-	12,805,072	-
More than 90 days past due	14,445,167	2,669,623	14,445,167	2,669,623
	85,783,719	2,669,623	81,141,228	2,669,623

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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

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

	Group RM	Company RM
At 1.4.2015	2,669,623	2,669,623
Additions of allowance for doubtful debts	466,011	466,011
Allowance for doubtful debts no longer required	(342,924)	(342,924)
At 31.3.2016	2,792,710	2,792,710
At 1.4.2014	2,248,288	2,248,288
Additions of allowance for doubtful debts	421,335	421,335
At 31.3.2015	2,669,623	2,669,623

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.

2016	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	32,043,877	-	-	32,043,877
Other payables, deposit and accruals	28,986,598	-	-	28,986,598
Amount owing to immediate holding company	1,724,280	-	-	1,724,280
Amount owing to related companies	3,275,503	-	-	3,275,503
Amount owing to associated company	343,778	-	-	343,778
Bank term loans	16,936,175	30,836,997	-	47,773,172
Total undiscounted financial liabilities	83,310,211	30,836,997	-	114,147,208
Company				
Trade payables	29,261,213	-	-	29,261,213
Other payables, deposit and accruals	27,148,575	-	-	27,148,575
Amount owing to immediate holding company	1,724,280	-	-	1,724,280
Amount owing to subsidiary companies	37,304,709	-	-	37,304,709
Amount owing to related companies	3,275,503	-	-	3,275,503
Amount owing to associated company	343,778	-	-	343,778
Bank term loans	16,936,175	30,836,997	-	47,773,172
Total undiscounted financial liabilities	115,994,233	30,836,997	-	146,831,230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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

2015	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM
Group				
Trade payables	28,450,271	-	-	28,450,271
Other payables, deposit and accruals	29,844,863	-	-	29,844,863
Amount owing to immediate holding company	1,556,413	-	-	1,556,413
Amount owing to related companies	5,630,730	-	-	5,630,730
Amount owing to associated company	94,448	-	-	94,448
Bank term loans	17,275,191	39,900,530	-	57,175,721
Total undiscounted financial liabilities	82,851,916	39,900,530	-	122,752,446
Company				
Trade payables	26,058,189	-	-	26,058,189
Other payables, deposit and accruals	24,841,422	-	-	24,841,422
Amount owing to immediate holding company	1,556,413	-	-	1,556,413
Amount owing to subsidiary companies	37,447,533	-	-	37,447,533
Amount owing to related companies	2,830,729	-	-	2,830,729
Amount owing to associated company	94,448	-	-	94,448
Bank term loans	17,275,191	39,900,530	-	57,175,721
Total undiscounted financial liabilities	110,103,925	39,900,530	-	150,004,455

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 2016 and 31 March 2015 were as follow:

	2016 RM	2015 RM
Share capital	100,000,000	100,000,000
Reserves	219,884,448	199,097,303
Total equity	319,884,448	299,097,303
Short term borrowings	16,242,615	17,275,191
Long term borrowings	29,783,903	37,520,184
Total debt	46,026,518	54,795,375
Total debt to equity ratio (times)	0.14	0.18

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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 |
| (v) 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.

2016	AFF RM	CLD RM	TD RM	OFF RM	OCM RM	Consolidated RM
REVENUE						
External sales	145,740,626	223,656,001	82,449,358	59,890,560	3,929,486	515,666,031
RESULTS						
Segment results	8,574,778	22,379,218	(1,060,028)	4,643,924	408,049	34,945,941
Unallocated corporate income	-	-	-	-	-	10,988,927
Profit from operations	-	-	-	-	-	45,934,868
Share of associated company's profits	-	-	-	-	-	459,318
Finance costs	-	-	-	-	-	(2,312,128)
Profit before tax	-	-	-	-	-	44,082,058
Tax expense	-	-	-	-	-	(13,372,234)
Profit for the year	-	-	-	-	-	30,709,824

2015

REVENUE						
External sales	130,930,348	239,192,899	80,030,113	40,553,730	3,598,053	494,305,143
RESULTS						
Segment results	2,191,701	39,983,326	396,494	1,141,450	419,268	44,132,239
Unallocated corporate expense	-	-	-	-	-	(1,938,304)
Profit from operations	-	-	-	-	-	42,193,935
Share of associated company's profits	-	-	-	-	-	617,908
Finance costs	-	-	-	-	-	(1,359,327)
Profit before tax	-	-	-	-	-	41,452,516
Tax expense	-	-	-	-	-	(10,654,834)
Profit for the period	-	-	-	-	-	30,797,682

There is no intersegment sales.

(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 YEAR ENDED 31 MARCH 2016

37. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on by the board of directors on 27 May 2016.

38. 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, into realised and unrealised profits/losses, pursuant to the directive, are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total retained profits of the Company and its subsidiaries:-				
- Realised	239,277,998	216,777,823	201,456,780	179,335,574
- Unrealised	(7,872,934)	(7,855,984)	(7,229,813)	(7,556,668)
	231,405,064	208,921,839	194,226,967	171,778,906
Total shares of retained profits from associated company	953,884	1,147,719	-	-
	232,358,948	210,069,558	194,226,967	171,778,906
Less: Consolidation adjustments	(13,951,095)	(13,268,286)	-	-
Total Group's and Company's retained profits as per statements of financial position	218,407,853	196,801,272	194,226,967	171,778,906

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 COMPANY ACT 1965

In the opinion of the directors, the financial statements set out on pages 55 to 107 have been drawn up:

- (a) so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2016 and of their financial performance and cash flows for the year ended 31 March 2016;
- (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 38 on page 107 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 27 May 2016

LEE CHECK POH
Director

LIM JEW KIAT
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Tan Kim Yong (IC No.: 620120-10-6609), being the director primarily responsible for the financial management of TASCO Berhad, solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements for the year ended 31 March 2016 as set out on pages 55 to 107 are correct.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)	
by the above named)	
Tan Kim Yong)	
at Kuala Lumpur in the)	
State of Federal Territory)	TAN KIM YONG
this 27 May 2016)	Before me,

BALOO A/L T.PICHAJ
No. W 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 31.03.2016 (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 Built-up 16,800 Built-up 16,800	27 years 4 years 3 years	30 Jun 2009	72,040
2.	Port of Tanjung Pelepas Plot D28E, Distripark B Pelepas Free Trade Zone Port of Tanjung Pelepas Johor	Industrial Land	Tanjung Pelepas Logistics Centre	Leasehold 60 years expiring 23.03.2055	Land - 20,233 Built-up - 20,919	1 year	19 Mar 2012	38,930
3.	Bandar Baru Bangi Lot 46860 (PT 61382), Seksyen 10 43650 Bandar Baru Bangi, Selangor Bandar Baru Bangi Lot 46864 (PT 61734), Seksyen 10 43650 Bandar Baru Bangi, Selangor	Industrial Land Industrial Land	Bangi Logistics Centre III Bangi Logistics Centre II Access road	Leasehold 99 years expiring 19.08.2098 Leasehold 99 years expiring 19.08.2098	Land - 60,241 Built-up - 12,119 Built-up - 19,584 Land - 450	8 years 5 years NA	25 May 2004 27 May 2004	28,292 82
4.	Seberang Perai Tengah 1441 Lorong Perusahaan Maju 8 Prai Industrial Estate, Phase 4 13600 Prai , Pulau Pinang	Industrial Land	Penang Prai Logistics Centre	Leasehold 99 years expiring 23.10.2110	Land - 20,611 Built-up - 9,282	24 years	18 Jul 2008	13,193
5.	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	24 years	19 Feb 2008	11,612
6.	Port Klang Lot 12 Lengkungan Sultan Hishamuddin North Klang Straits Industrial Estate Mukim Kapar, Kawasan 20 40000 Port Klang Selangor	Industrial Land	Port Klang Logistics Centre II	Leasehold 99 years expiring 09.06.2086	Land - 31,556 Built-up - 16,049	12 years	06 Nov 2014	9,328

LIST OF PROPERTIES

7.	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	9 years	04 Jun 2008	6,904
8.	Alor Gajah Plot 1873 Terminal Kenderaan Berat Mukim Durian Tunggal Daerah Alor Gajah 76100 Melaka	Industrial Land	Melaka Logistics Centre	Leasehold 99 years expiring 08.12.2113	Land - 11,776 Built-up - 2,683	6 years	01 Apr 2010	4,918
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	8 years	11 Jan 2007	3,489
10.	Kuching Lot 1215, Lorong Demak Indah 2A Demak Laut Industrial Estate Phase IIA, Jalan Bako 93050 Kuching Sarawak	Town Land	Kuching Logistics Centre	Leasehold 60 years expiring 07.02.2066	Land - 5,989 Built-up - 1,025	7 years	01 Apr 2015	2,728
11.	Bandar Baru Bangi No. 19, Jalan P9A, 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	25 years	22 May 1991	178

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

Authorised Capital	: RM200,000,000.00
Issued and Fully Paid-up Capital	: RM100,000,000.00
Class of Shares	: Ordinary Shares of RM0.50 each fully paid
Voting Rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	Total Holdings	%
Less than 100 shares	14	218	0.00
100 to 1,000 shares	105	60,902	0.03
1,001 to 10,000 shares	838	4,352,080	2.18
10,001 to 100,000 shares	397	12,121,100	6.06
100,001 to less than 5% of issued shares	78	83,046,458	41.52
5% and above issued shares	4	100,419,242	50.21
Total	1,436	200,000,000	100.00

LIST OF 30 LARGEST SHAREHOLDERS

Name of Shareholders	No. of shares	%
1 Yusen Logistics (Singapore) Pte Ltd	36,460,482	18.23
2 Yusen Logistics Co., Ltd	36,019,636	18.01
3 Yusen Logistics Co., Ltd	14,759,942	7.38
4 Nippon Yusen Kabushiki Kaisha	13,179,182	6.59
5 Nippon Yusen Kabushiki Kaisha	6,000,000	3.00
6 Yusen Logistics (Singapore) Pte Ltd	6,000,000	3.00
7 Yusen Logistics Co., Ltd	6,000,000	3.00
8 Yusen Logistics Co., Ltd	6,000,000	3.00
9 Yusen Logistics (Singapore) Pte Ltd	5,519,882	2.76
10 CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Real Fortune Portfolio Sdn Bhd (PB)	4,000,000	2.00
11 Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
12 Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
13 Real Fortune Portfolio Sdn Bhd	4,000,000	2.00
14 Real Fortune Portfolio Sdn Bhd	3,660,876	1.83
15 HSBC Nominees (Asing) Sdn Bhd KBL Euro PB For Halley Sicav - Halley Asian Prosperity	3,582,000	1.79
16 Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Non-Par FD)	2,783,900	1.39
17 Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Balance Fund)	2,102,800	1.05
18 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (CIMB-P 6939-404)	1,950,600	0.98
19 Wong Lok Jee @ Ong Lok Jee	1,461,000	0.73
20 AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Bakat Impian Sdn Bhd (8124505)	1,420,000	0.71
21 Gan Tee Kian	1,318,000	0.66
22 Maybank Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Dana EKT Prima)	1,200,000	0.60
23 CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Ong Yoong Nyock (M78046)	1,080,000	0.54
24 CitiGroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Nomura) SFS-DCC MY	996,000	0.50
25 CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB-Principal Islamic Asset Management Sdn Bhd For Lembaga Tabung Haji	975,800	0.49

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016

LIST OF 30 LARGEST SHAREHOLDERS (CONT'D)

Name of Shareholders	No. of shares	%
26 Yeo Khee Huat	756,000	0.38
27 AMSEC Nominees (Tempatan) Sdn Bhd Nomura Asset Management Malaysia Sdn Bhd For Tenaga Nasional Berhad Retirement Benefit Trust Fund	690,300	0.35
28 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Pertubuhan Keselamatan Sosial (Nomura 6939-401)	616,000	0.31
29 Maybank Nominees (Tempatan) Sdn Bhd Etika Insurance Berhad (Prem Equity FD)	600,000	0.30
30 Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For CIMB Islamic Balanced Growth Fund (230122)	598,900	0.30
Total	171,731,300	85.88

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 Substantial Shareholders	Direct Interest	%	Indirect Interest	%
1 Yusen Logistics Co., Ltd.	62,779,578	31.38	47,980,364 ¹	23.99
2 Yusen Logistics (Singapore) Pte Ltd	47,980,364	23.99	-	-
3 Nippon Yusen Kabushiki Kaisha	19,179,182	9.59	110,759,942 ²	55.38
4 Real Fortune Portfolio Sdn Bhd	19,660,876	9.83	-	-
5 Lee Check Poh	-	-	19,660,876 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 Directors	Direct Interest	%	Indirect Interest	%
1 Lee Check Poh	-	-	19,660,876 ³	9.83
2 Lim Jew Kiat	120,000	0.06	-	-
3 Tan Kim Yong	66,000	0.03	-	-
4 Kwong Hoi Meng	22,000	0.01	-	-
5 Raymond Cha Kar Siang	22,000	0.01	-	-
6 Raippan s/o Yagappan @ Raiappan Peter	22,000	0.01	-	-
7 Lee Wan Kai	20,000	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 and Yusen Logistics (Singapore) Pte 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

		Group Effective Interest			
		%	%		
	Country	31.03.2015	31.03.2016	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	Warehouse rental
7.	TASCO Express Sdn Bhd	Malaysia	100.00	100.00	Dormant
8.	Titian Pelangi Sdn Bhd	Malaysia	100.00	100.00	Warehouse rental
9.	Omega Saujana Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services
10.	Piala Kristal (M) Sdn Bhd	Malaysia	51.22	51.22	Freight forwarding services

ASSOCIATED COMPANY

		Group Effective Interest			
			%	%	
	Country	31.03.2015	31.03.2016		Principal Activities
1.	Agate Electro Supplies Sdn Bhd	Malaysia	50.00	50.00	Warehouse rental

NOTICE OF FORTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-First 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, 28 September 2016 at 3.00 p.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 and the Reports of Directors and Auditors thereon.
2. To approve the payment of a single-tier final dividend of 2.5 sen in respect of the financial year ended 31 March 2016. **Ordinary Resolution 1**
3. To approve the payment of Directors' Fees for the financial year ended 31 March 2016. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire pursuant to Article 77 of the Company's Articles of Association:-
 1. Mr. Lee Check Poh **Ordinary Resolution 3**
 2. Mr. Kwong Hoi Meng **Ordinary Resolution 4**
 3. Mr. Lee Wan Kai **Ordinary Resolution 5**
5. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:- **Ordinary Resolution 6**

 "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 7**
7. As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications: -

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

"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 28 July 2016 which are necessary for the Company's and its subsidiaries' day-to-day operations in the ordinary course of business on terms not more favourable to the said Related Party than those generally available to the public and not detrimental to minority shareholders of the Company.

AND THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by a resolution passed by the shareholders in a general meeting
- whichever is earlier.

NOTICE OF FORTY-FIRST ANNUAL GENERAL MEETING

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 9**

"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 2.5 sen in respect of the financial year ended 31 March 2016, if approved by the shareholders, will be paid on 28 October 2016 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 14 October 2016.

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 14 October 2016 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: 28 July 2016

NOTICE OF FORTY-FIRST ANNUAL GENERAL MEETING

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 22 September 2016 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 8

Proposed Renewal of Shareholders' Mandate for Recurrent Transactions

The Ordinary Resolution 8 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 28 July 2016, which is despatched together with the Company's Annual Report 2016.

Ordinary Resolution 9

Authority to Issue Shares

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

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company.

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

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

Proxy Form

TASCO Berhad
(Company No. 20218-T)
(Incorporated in Malaysia)



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 Forty-First 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, 28 September 2016 at 3.00 p.m. and at any adjournment thereof.

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

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

Dated:

Number of shares held

Signature/Common Seal of Shareholder(s)

Notes:-

- Only depositors whose names appear in the Record of Depositors as at 22 September 2016 shall be regarded as members and entitled to attend, speak and vote at the Annual General Meeting.
- 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.
- 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.
- 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.
- The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time for holding the Annual General Meeting or any adjournment thereof.

Fold this flap for sealing

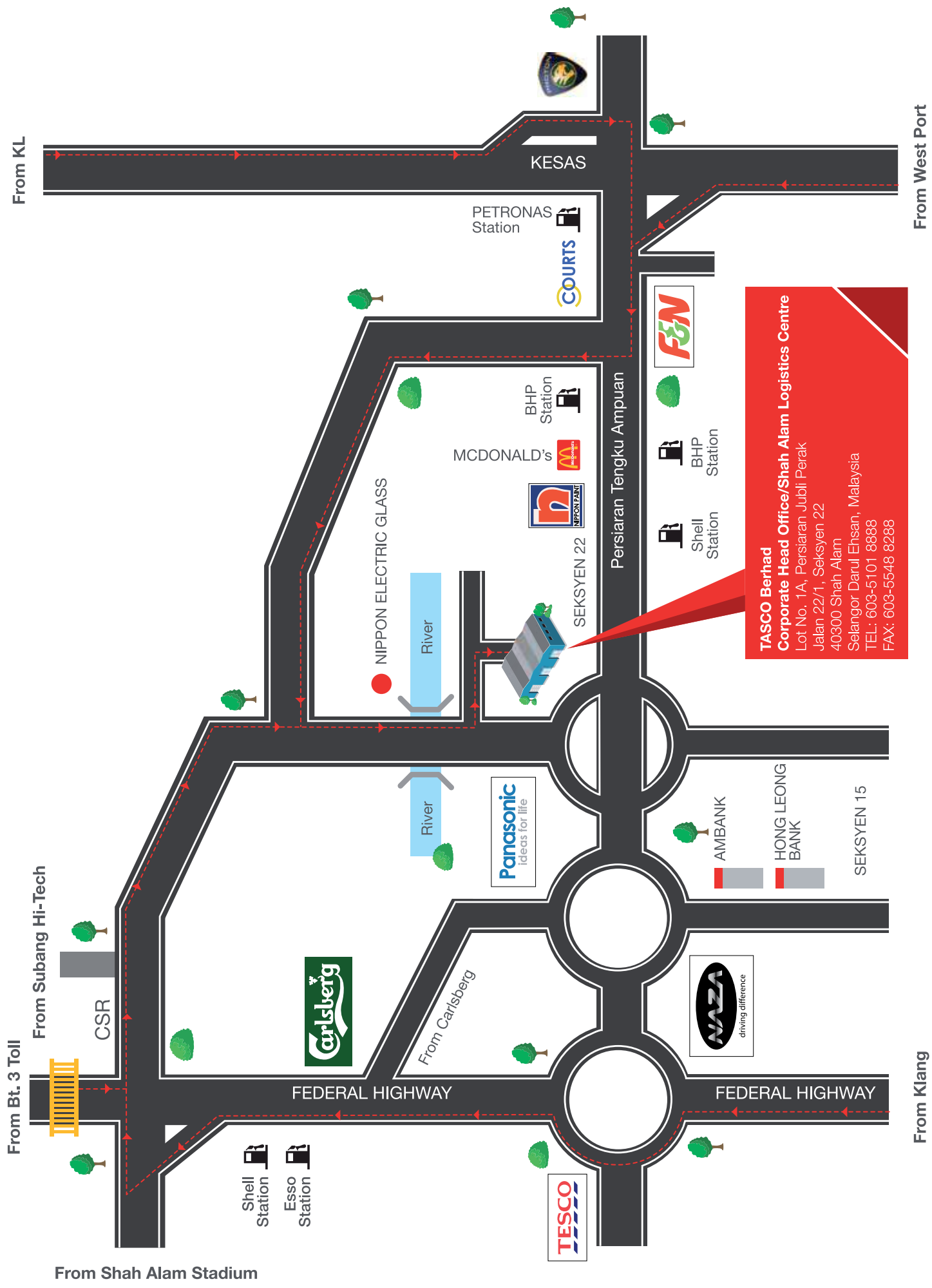
Then fold here

Affix
Stamp

THE COMPANY SECRETARY
TASCO Berhad (20218-T)

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

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TASCO Berhad
Corporate Head Office/Shah Alam Logistics Centre
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

TASCO Berhad (20218-T)

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